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Information Management: Management of
Subdisciplines

Army Acquisition Planning for Information Systems

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SUMMARY of CHANGE

DA PAM 25-6-1

Army Acquisition Planning for Information Systems

This new Army pamphlet--

- o Provides comprehensive acquisition planning guidance for the procurement process performed throughout the life cycle of an information system (chap 2).
- o Describes the procurement process from preproject activities (chap 3) through the need justification (chap 4), concepts development (chap 5), design (chap 6), and development (chap 9) phases.
- o Provides funding (chap 8) and training (chap 10) information.
- o Describes the solicitation, evaluation, and award process (chap 9).

Information Management: Management of Subdisciplines

Army Acquisition Planning for Information Systems

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History. This UPDATE printing publishes a new DA pamphlet. This publication has been reorganized to make it compatible with the Army electronic publishing database. No content has been changed.

Summary. This pamphlet describes the process and procedures necessary to acquire Information Mission Area hardware, software, and services. It is a guide to assist information management personnel

who work with contracting activities. It provides detailed acquisition guidance to support AR 25-3.

Applicability. This pamphlet applies to the Active Army, the Army National Guard, and the U.S. Army Reserve. It also applies when the Army is the executive agent for another organization. This pamphlet does not apply directly to information systems acquired under the National Foreign Intelligence Program or for operational support of intelligence and electronic warfare systems. It applies to all Class 11 to VI information systems as defined in AR 25-3.

Proponent and exception authority. The proponent for this regulation is General, United States Army Chief of Staff.

Internal control systems. This pamphlet is subject to the requirements of AR 11-2. It contains internal control provisions but does not contain checklists for conducting control reviews. These checklists are being

developed and will be published at a later date.

Interim changes. Interim changes to this pamphlet are not official unless they are authenticated by The Adjutant General. Users will destroy interim changes on their expiration dates unless sooner superseded or rescinded.

Suggested improvements. The proponent agency of this pamphlet is the Office of the Director of Information Systems for Command, Control, Communications, and Computers. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to HQDA (SAISPD), WASH DC 20310-0107.

Distribution. Distribution of this publication is made in accordance with the requirements on DA Form 12-09-E, block number 5317, intended for command levels B, C, and D for Active Army, Army National Guard, and U.S. Army Reserve.

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*This regulation supersedes Army Regulation 635-5-1, 13 August 1993.

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Chapter 1 Introduction

1-1. Purpose

This pamphlet is a guide for action officers tasked to obtain Information Mission Area (IMA) requirements or assets. The five disciplines of IMA are automation, telecommunications, visual information, records management, and publications and printing. (Management of libraries, a function of IMA, is also included.) This pamphlet provides the basic procedures to be followed in contracting for IMA assets or refers to additional guidance. The pamphlet structure follows that of AR 25-3. In accordance with AR 25-1, IMA encompasses the responsibilities, activities, and programs associated with and related to IMA disciplines. In accordance with AR 25-1, nonappropriated fund-procured information systems and equipment are encouraged but not required to follow AR 25-1 and AR 25-3 policies. However, if the nonappropriated fund-procured equipment will interface or communicate with other information or information transfer systems, early coordination with the appropriate directors of information management systems is required. The five IMA disciplines and contracting requirements unique to IMA are explained in a through e below.

a. Automation includes a combination of information, computer, and telecommunications resources and other information technology and personnel resources that collect, record, process, store, communicate, retrieve, and display information.

(1) Terms often used to describe automation include computers; ancillary equipment; software, firmware, and similar procedures; services, including support services; and related resources as defined by regulations issued by the Administrator for General Services.

(2) The acquisition of automatic data processing (ADP) resources differs in some respects from other acquisitions. Specific legislation and regulations provide for the Government-wide acquisition of ADP resources. The basic legislation is the Brooks Act, codified at section 759, title 40, United States Code (40 USC 759) and elsewhere. The General Services Administration (GSA) is responsible for development and oversight of ADP policy, subject to Office of Management and Budget policy oversight. GSA holds the authority for the management, acquisition, and use of ADP resources for the entire Federal Government unless the requirement addressed is exempt by AR 25-3, paragraph 7-6. The Federal Information Resources Management Regulation (FIRMR) is the primary regulation governing ADP contracting. It is used in conjunction with the Federal Acquisition Regulation (FAR).

b. Telecommunication resources are defined as telecommunications equipment, facilities, and services. Telecommunications services include the transmission, emission, or reception of signals, signs, writing, images, sounds, or intelligence of any nature by wire, cable, satellite, fiber optics, laser, radio, or any other electronic, electric, electromagnetic, or acoustically coupled means. The term includes the telecommunications facilities needed to provide such services. Telecommunications facilities are defined as equipment used for modes of transmission, such as telephone, data, facsimile, video, radio, audio, and corollary items, such as switches, wire, cable, access arrangements, and communications security facilities (FIRMR). (See AR 25-1, chap. 6.) Telecommunication is included in the definition of ADP equipment. The contracting authority for ADP equipment resides with GSA.

c. Visual information is the use of one or more of the various visual media with or without sound. Generally speaking, visual information includes still photography, motion picture photography, video or audio recording, graphic arts, visual aids, models, display, visual presentation services, and the processes that support them.

(1) Department of Defense (DOD) policy states that visual information shall be centrally managed. The Director of Information Systems for Command, Control, Communications, and Computers is the designated senior Army visual information representative to the Office of the Secretary of Defense and leads and directs development and execution of Army visual information plans, policies, and programs. For more information on DOD visual information, see AR 25-1, chapter 7.

(2) The Television-Audio Support Activity provides engineering and design services for all types of visual information equipment. The Television-Audio Support Activity has established requirements contracts on some visual information items for faster procurement, and it also purchases Military Standard Requisitioning and Issue Procedures items.

(3) Investment visual information items are controlled by the Department of the Army (DA) and are identified and approved or validated by Headquarters, Department of the Army (HQDA) (SAIS-FAV-F) before procurement. See AR 25-1, chapter 7.

d. Records management includes the planning, controlling, directing, organizing, training, promoting, and other managerial activities involved in information creation, maintenance, use, and disposition to achieve adequate and proper documentation of DA policies and transactions and effective and economical management of DA operations. No unique characteristics of contracting pertain to records management.

e. Publications and printing include mechanically or electronically printed or reproduced items of information for distribution or dissemination, usually to a predetermined audience. This IMA area includes, but is not limited to, directives, books, pamphlets, posters, forms, manuals, brochures, magazines, and newspapers produced in any media by or for the Army. Generally, this discipline encompasses equipment and facilities, the process of composition, platemaking, presswork, and binding, including micropublishing, for the production of a publication. All printing is accomplished at the Government Printing Office unless otherwise authorized. AR 25-30 defines policies and mandated

procedures for the preparation, review, approval, printing, distribution, and management of publishing and printing. AR 25-30 manages the acquisition and disposition of printing, duplicating, electronic publishing, and the use of related reproduction equipment.

1-2. References

Required and related publications and referenced forms are listed in appendix A.

1-3. Explanation of abbreviations and terms

Abbreviations and special terms used in this pamphlet are explained in the glossary.

Chapter 2

Life-Cycle Overview

2-1. General

AR 25-3 defines and explains the various life-cycle management phases. This pamphlet provides specific acquisition functions and considerations for the different phases.

2-2. Requirement statement

An information system initiative must begin with the development of a requirement statement. DA Pam 25-2 fully explains the requirement statement initiatives and the documentation and processes required for its initiation. Once the requirement statement plan is validated, proceed with Phase 0.

2-3. Phase 0, Need Justification

Phase 0 defines and documents a mission need and validates this need. Phase 0 begins when a manager recognizes a mission deficiency or an opportunity to improve mission performance and initiates an analysis that defines and documents that need. Phase 0 ends at Milestone 0 after the mission need statement has been approved.

2-4. Phase 1, Concepts Development

Phase I identifies and evaluates alternative functional and technical concepts that satisfy the approved mission need statement and, based on these evaluations selects the best program to implement required capabilities. Phase I begins after Milestone 0 approval and immediately after Phase 0 is completed. Phase I ends at Milestone I approval after tasks for this phase are completed and the selected program has been approved.

2-5. Phase 2, Design

Phase 2 completes the information system draft technical specifications, validates the selected system design, secures commitment of funds, and selects the acquisition approach. Phase 2 begins at Milestone I after an information system program is approved. Phase 2 ends at Milestone II after tasks for this phase are completed and the information system design has been approved.

2-6. Phase 3, Development

Phase 3 develops the information system, tests the completed information system to ensure that it satisfies the mission needs described in the mission need statement, and prepares it for deployment. Phase 3 begins at Milestone II after the information system design has been approved. Phase 3 ends at Milestone III approval after tasks for this phase are completed and all development and operational testing activities are completed.

2-7. Phase 4, Deployment

Phase 4 fields the information system in accordance with the approved deployment plan. Phase 4 begins at Milestone III approval after the information system operational testing and validation are accepted by the appropriate functional authority. Phase 4 ends when information system management responsibility is transferred from the information system program manager to an information system operations manager and other tasks for this phase are completed. Phase 4 is not discussed further in this pamphlet.

2-8. Phase 5, Operations

Phase 5 operates and maintains the information system, evaluates the effectiveness and benefits of the information system, implements the approved short-term postdeployment modernization plan, and plans for long-term existing information system modernization. Phase 5 begins when management responsibility completely transfers from the information system program manager to the information system operations manager. This phase ends when the information system is replaced or terminated. It includes a postdeployment operational assessment by the functional

proponent and short-term information system modernization planning (Milestone IV). Phase 5 is not discussed further in this pamphlet.

Chapter 3

Preproject Activities

3-1. Identifying the need

a. Establishing the scope and objectives. You should clearly and concisely describe the need and the objectives that will be accomplished when the need is satisfied. You should state the requirement in functional terms because a variety of methods can normally satisfy the requirement. You should identify any time, space, or other resource consideration constraints.

b. Identifying the major participants. Major projects often require the services, advice, and/or approval of numerous participants. Even the smallest projects involve at least the user and an acquisition agency. The United States Army Information Systems Selection and Acquisition Activity (USAISSAA) is the acquisition agency for all Army information systems acquisitions that exceed a total cost of \$10 million. (This restriction excludes most AR 25-3 exempt and maintenance acquisitions.) If redelegated by USAISSAA, local procurement offices may procure projects that require a delegation of procurement authority with a total cost below \$10 million. (See AR 25-3 to identify responsibilities of various entities.)

c. Identifying level and source of funding. All acquisitions should begin with identifiable funding for the project. You should prepare an independent Government estimate and submit it to the contracting office. Contracting personnel need to provide funding documents supporting at least the first year of the project before the invitation for bids (IFB) or request for proposal (RFP) can be released. (In certain circumstances, these documents can be released when the initiating and approving authority has determined that there is a high probability that the requirement will not be canceled and when the comptroller has signed a statement that the requirement is included in the financial plan and has provided the accounting classification) (Army Federal Acquisition Regulation Supplement (AFARS) 1.6022(93)).

d. Submitting the approved requirement statement. You should document the requirements in the information capability request.

3-2. Acquisition considerations

a. ADP equipment reutilization. A solicitation to acquire ADP equipment is not initiated until it is determined and documented that the ADP requirements cannot be satisfied economically by using excess or “exchange or sale” ADP equipment (FIRMR; DOD Federal Acquisition Regulation Supplement (DFARS), Subpart 270.14; and AFARS, Subpart 70.14). DOD Manual 7950.1-M contains the policies and procedures relating to the reuse of ADP equipment within DOD.

b. Severable ADP requirements. The provisions of this pamphlet do not cover general purpose, commercially available ADP equipment and ADP support services acquired by the contractor and delivered to the Government under a contract when these resources are incidental to the performance of the contract. However, to ensure full and open competition and to promote economy and efficiency, agencies separate requirements for general purpose, commercially available ADP equipment and acquire it separately when it is operationally feasible to do so (FIRMR). You should decide to separate ADP requirements before soliciting offers. To facilitate the reuse of ADP equipment, when the ADP items or services are not separated, the Government contractor needs to identify the quantity and specific make and model of the ADP equipment to be delivered as part of the non-ADP system.

c. Socioeconomic program implementation. In accordance with Government policy, a fair proportion of acquisitions, including contracts and subcontracts for major systems are placed with small business concerns and small disadvantaged business concerns. Government socioeconomic programs should be considered throughout the acquisition process.

(1) Requirements for information resources may be set aside for award to small businesses or to labor surplus area set-asides. The provisions of FAR, Parts 19 and 20, and implementing Army policies and procedures apply.

(2) Contracts for information resources may be negotiated with the Small Business Administration under Section 8(a) of the Small Business Act. The subcontractor is a small, disadvantaged firm registered in the Small Business Administration’s 8(a) program. Many types of acquisitions may be fulfilled by using this approach (FAR, Part 19.8).

d. Commercial activities requirement. It is Army policy to rely on commercial sources for products and services when cost-effective and consistent with the Army’s readiness requirements. Army commands and activities do not perform or contract for commercial functions except as provided in AR 5-20, or as otherwise provided by law.

e. Types of contracts. There are two broad types of contracts—fixed-price and cost-reimbursement—with a variety of incentive types in between (FAR, Part 16). In incentive contracts, the uncertainties involved in performance cost reflect the profit or fee incentives offered to the contractor.

(1) Fixed-price contracts are used when specifications are clearly defined and when the risk involved is minimal or

can be predicted within an acceptable degree of certainty. The contractor is fully responsible for the performance costs and the resulting profit or loss.

(2) Cost-reimbursement contracts are used only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy, making any type of fixed-price contract unsuitable.

(3) In incentive contracts, the amount of profit or fee payable under the contract is related to the contractor's performance. There are both fixed-price incentive and cost-reimbursement incentive contracts.

(4) There are three types of indefinite delivery contracts--definite quantity contracts, requirements contracts, and indefinite quantity contracts.

(a) A definite quantity contract provides for a definite quantity of specific supplies or services for a fixed period, with deliveries to be scheduled at designated locations upon order.

(b) A requirements contract fills all actual Government requirements for specific supplies or services during a specified contract period, with deliveries to be scheduled by placing orders with the contractor.

(c) An indefinite quantity contract provides for an indefinite quantity, within stated limits, of specific supplies or services to be furnished during a fixed period, with deliveries to be scheduled by placing orders with the contractor. These contracts are generally written on a fixed-price basis.

(5) Time and materials, labor-hour, and letter contracts are generally used when uncertainties surround the extent or duration of work. A letter contract is a preliminary contractual instrument that allows the contractor to begin work immediately. These three types of contracts are used when no other type is suitable.

f. Waivers. All ADP equipment acquired under the provisions of AR 25-1 needs to comply with all applicable Federal Information Processing Standards and appropriate DOD and/or DA standards unless a waiver has been justified and specifically approved by the proper authority. The acquisition agency ensures that the standard terminology, as described in the appropriate regulation for each Federal Information Processing Standards publication, is included in all solicitation documents and that proposals are properly evaluated to ensure compliance.

g. Training. The responsible agency conducts and develops training to provide the skills necessary to operate and maintain systems. The trainer may be the Training and Doctrine Command, the system developers, or a contractor, depending on the size and importance of the project. You should consider the training requirement from the inception of the acquisition. The IFB or RFP addresses training needs, including the type of training desired, the number of people to be trained, the timeframe, the sequence of courses, and the number of people in a class. You should consider the use of computer based instruction for follow-on training.

h. GSA guidance. GSA has the authority to acquire information resources and delegates this responsibility to the Services. GSA guidance concerning acquisition and management of these resources is set forth in FIRMR. Certain items are exempt from GSA's authority, and FIRMR, paragraph 5.2(b)4, discusses those exemptions.

i. Sensitivity of acquisition information.

(1) Procurement and technical information related to an acquisition may be released only by a contracting officer or others so authorized. Only contracting officers, their supervisors having contractual authority or others specifically authorized by contracting officers may discuss any acquisition and technical or other information with prospective contractors. When information is released, it may not give the recipient an advantage over others; therefore, it needs to be released to all potential contractors as simultaneously as possible. FAR 15.610, AR 600-50, and appendix B address conflicts of interest and ethical concerns.

(2) The Freedom of Information Act (FOIA, 5 USC 552) makes certain information available to the public. Any agency receiving a request for disclosure should immediately consult its local FOIA representative or legal counsel. Generally, records are exempt from disclosure if they contain trade secrets or commercial or financial information that the Army receives from outside the Government with the understanding that such information is retained as privileged or confidential. The disclosure of such information may cause substantial harm to the competitive position of the source providing the information, impair the Government's ability to obtain necessary information in the future, or impair some other legitimate Government interest. For example, records could include confidential information about loans, bids, contracts, or proposals, as well as trade secrets, inventions and discoveries, and other proprietary data.

j. No-cost products and services. Before the Government can accept no-cost products and services from industry for demonstration, test, evaluation, or other purposes, the Government and supplier formalize a written agreement. This agreement should be initiated by a contracting officer; it is coordinated with the supporting legal office at the installation or headquarters. However, it can be initiated by another Government official if a contracting officer is unavailable. This official should be a minimum grade or rank of GS-13 or a major. Figure 3-1 provides a sample service agreement between the Government and a contractor to be used during testing and evaluation; you should

follow the format shown in the figure. This agreement should clearly define the status of the parties and state that the sample product or service is furnished with the understanding that—

- (1) There is and will be no cost to the Government.
- (2) There is and will be no future claim against the Government.
- (3) The Government has no responsibility to furnish a test or evaluation report. Test results may be provided or discussed with the vendor if such discussions will benefit the Government.
- (4) The Government assumes no responsibility or liability for damage to or destruction of the product.
- (5) The Government's permission to allow the demonstration, test, or evaluation does not obligate the Government in any way to purchase the product.
- (6) The vendor will not advertise that the Government permitted the demonstration, test, or evaluation.
- (7) Equipment or software provided under the test and evaluation agreement will not be used to fulfill mission requirements of the Government for any interim time. Furthermore, the products or services being provided need to be within the normal acquisition authority of the Government activity that plans to enter into the agreement. The term of the agreement should not exceed 6 months.

This Test Agreement is made as of (date, month, and year), by the (Contracting Officer, Program Management Office, Agency, etc.) (Government) and (name of company) (COMPANY). The COMPANY agrees to provide the following listed and/or described product(s) to the Government for testing and evaluation purposes.

(Product name, serial number, or other identifier)

The COMPANY and the Government further agree as follows:

1. The COMPANY assents to the use of its product(s) by the Government. However, the COMPANY neither conveys nor does the Government acquire ownership rights.
2. The term "product" is defined to include any ancillary devices or items provided to allow for testing and evaluation.
3. The product(s) is provided by the COMPANY at "no cost" to the U.S. Government; nor shall the Government incur any charges for transportation, delivery, installation, electrical preparation, pickup, or other incidental services.
4. Maintenance or repair of the product(s) is the responsibility of the COMPANY. The U.S. Government assumes no responsibility or liability for damage to or destruction of the product(s).
5. This agreement and the related use of the product create no obligation on the part of the U.S. Government to compensate (COMPANY) for use of the product(s), transportation, installation, documentation, or other services; nor does the agreement and the use create an obligation to purchase any units of the product, or any other product, material, or service from COMPANY. There will be no future claim against the Government for any reason.
6. The U.S. Government has no responsibility to furnish a test and evaluation report to the COMPANY. Test results may be provided or discussed with the COMPANY if it is determined that such discussions will benefit the Government.
7. The U.S. Government's use of the product(s) does not constitute an endorsement of the product(s); nor may the COMPANY make any attributive reference to the use by the Government.
8. The COMPANY shall deliver the product(s) to the U.S. Government on (date) for a period of (time).

(Signature of company representative)

(Signature block including title and date)

(Signature of Government representative including title and date)

Figure 3-1. SAMPLE GRATUITIOUS SERVICE AGREEMENT

Chapter 4

Phase 0, Need Justification

4-1. Function

Phase 0 defines and documents a mission need and validates this need.

4-2. Mission need statement

The mission need statement identifies and defines the mission area identification, the deficiency, existing and programmed capability, and constraints. See AR 25-3 and appendix C for information concerning the preparation of the acquisition plan.

4-3. Acquisition considerations

a. Cost-benefit analysis. For acquisitions exceeding \$50,000, a comparative cost analysis determines the method of acquisition that represents the lowest overall cost alternative over the system or item life. Some benefits expected for costs incurred include productivity, availability, efficiency, safety, quality, morale, security, and supportability.

b. System and life cycle costs. Life-cycle cost is defined as the sum total of the direct, indirect, recurring, nonrecurring, and other related costs, or estimated costs, in the design, development, production, operation, maintenance, and support of a major system over its anticipated useful life span. Nonrecurring costs include development, testing, conversion, procurement, and installation. Recurring costs include maintenance, training, supplies, manpower, and facilities.

c. Requirements analysis. The needs are supported by a requirements analysis commensurate with the size and complexity of the needs. At least the following factors should be considered in the requirements analysis:

- (1) The information processing functions that must be performed.
- (2) The agency applications, information resource systems, and components involved; their physical locations; and operational constraints.
- (3) The problem(s) that will be solved by acquiring new or additional equipment, systems, and/or software.
- (4) The nature of the data or information to be generated, transmitted, or stored on the proposed equipment or system; who will maintain it; and who will require access to it.
- (5) Space management considerations, for example, heat dissipation, airflow, temperature range, and relative humidity.
- (6) The present and projected workload in terms of—
 - (a) System life.
 - (b) Data entry and associated telecommunications support.
 - (c) Database management.
 - (d) Data handling or transaction processing by type and volume.
 - (e) Output needs and associated telecommunications support.
 - (f) Expandability requirements.
 - (g) Privacy and security safeguards.
- (7) A performance evaluation of the currently installed ADP system(s) to provide a baseline for evaluating proposed alternatives.
- (8) The risks of acquiring insufficient ADP equipment capacity versus the extra costs of acquiring excessive ADP equipment capacity.
- (9) The performance and capability validation techniques that should be used in the acquisition.

4-4. Analysis for low-value acquisition

When the anticipated value of the procurement is \$50,000 or less, the comparative cost analysis may need to demonstrate only that the benefits of acquiring the proposed system or item will outweigh the costs. However, requirements cannot be fragmented to circumvent the \$50,000 threshold.

4-5. Determining system life

a. The initial acquiring agency establishes system life as part of each determination of need and requirements analysis. The following factors should be considered to determine system or item life:

(1) The period during which the system or item and any planned augmentation will satisfy the needs of the initial user.

(2) The rate at which technology is expected to advance.

(3) The probability that technical support will continue to be available beyond the period of intended use by the initial user. Support includes maintenance, spare parts, and software support.

(4) The probability that the system or item in its ultimate planned configuration will be reused by another component within the agency or another Federal agency after it no longer meets the needs of the initial user. The estimated number of months of contemplated use by a secondary user is added to the initial user's requirement to determine the Government system or item life.

b. If the acquiring agency cannot predict reuse, either within the agency or by another Federal agency, the initial user's system or item life equals the Government system or item life. (GSA defines equipment that is more than 8 years old, from date of first commercial installation, as outdated.)

c. The determination of a system or item life is optional if a system or item initially costs \$25,000 or less and if there is reasonable certainty that purchase is the best method of acquisition. However, if lease or rental plans are to be solicited, system or item life is determined to conduct a meaningful lease or purchase evaluation.

d. Subsequent procurement should be considered when system or item life is established. If augmentation other than that provided in the initial acquisition is necessary, you should consider establishing a new system or item life. The new system or item life is useful for planning replacements and evaluating lease or purchase.

4-6. Establishing compatibility-limited requirements

A statement of requirements identifies the proposed items' compatibility with the operating system or ADP equipment to be replaced or augmented. Compatibility-limited requirements need to be justified. They are most often used to avoid the costs and disruptions of conversion or to achieve a degree of standardization.

Chapter 5

Phase 1, Concepts Development

5-1. Function

Phase I identifies and evaluates alternative functional and technical concepts that satisfy the approved mission need statement and, based on these evaluations selects the best program to implement required capabilities.

5-2. Alternative concepts

a. Types of alternatives. You need to develop alternatives to satisfy the approved requirement. During the concepts development phase, you should assemble and analyze methods to complete the function shown in the approved mission need statement and recommend alternative concepts. Alternative concepts need to be analyzed to determine the method that satisfies the requirement and that is most advantageous to the Government. The alternatives in (1) through (6) below are listed in FIRMR. The list is not all-inclusive, but these alternatives should be considered in an analysis. (For

information systems whose total program costs exceed \$2,500,000, you should use the system decision paper to document the management review and approval process. See AR 25-3, chap 2.)

- (1) Use of non-ADP resources.
- (2) Use of existing resources, including sharing, reutilization, and maintaining the status quo.
- (3) Use of commercial services.
- (4) Baseline modification.
- (5) Baseline upgrade.
- (6) Baseline (that is, system) replacement.

b. Planning. A plan that meets Federal and agency acquisition policies and rules needs to be developed, documented, and approved. An effective plan requires coordination of all personnel involved in the acquisition process. You should identify the responsibilities, authorities, and reporting channels in the plan.

c. Functional requirements. You should analyze and document functional requirements. You also need to—

- (1) Define system objectives.
- (2) Describe the operational environment.
- (3) Identify needed information, flow, and controls for classified personnel, and other areas.
- (4) Identify system workload.
- (5) Specify system interfaces.
- (6) Establish performance measures and thresholds, including effectiveness, ergonomics, availability, support, and resource protection.

d. Current technology. Information technology is a rapidly changing field. DFARS, Part 270, addresses obsolescence reviews to determine whether existing computer resources are economically or technically obsolete. Indications of economic or technical obsolescence include—

- (1) Maintenance service or parts are becoming unavailable or are no longer being provided by the original equipment manufacturer.
- (2) The original equipment manufacturer is no longer supporting an operating system.
- (3) Equipment is not as reliable as it once was.
- (4) Maintenance accounts for an increasing part of operating costs.
- (5) Energy consumption, including necessary environmental control, is relatively high.
- (6) System throughput and processing turnaround are too slow, and flexibility is too limited for the mission requirement.
- (7) The equipment is two or more production cycles behind the present production line.

e. RFP inclusions. Clauses in Section H of the RFP, Special Provisions, can be used to obtain current technology. Figures 5-1 and 5-2 provide two sample clauses.

f. Feasible concepts. You need to study the feasibility of each concept and apply the following points:

- (1) Technical considerations, including technology, facilities, compatibility with existing systems, and required operational date.
- (2) Operational considerations, including requirements, acceptability to users, personnel, transition, training, and documentation.
- (3) Economic considerations, including budgetary realities and cost effectiveness.
- (4) Political considerations, including laws, policies, and regulations; affected parties; and precedents.

g. Benefits, costs, and risks. You should compare all the alternatives, and you need to—

- (1) Perform a cost-benefit analysis by—
 - (a) Determining economic desirability through rate of return benefit/cost ratio, savings/investment ratio, and lowest total overall cost.
 - (b) Determining benefits expected for costs incurred, including productivity, efficiency, quality, security, availability, safety, and morale.
- (c) Applying present value factors to the total cost of each alternative.
- (2) Assess risks by—
 - (a) Identifying key variables, including workload, critical relationship, technology, priorities, and support.
 - (b) Estimating effects, including performance, cost, and schedule.

h. Software conversion studies. Software conversion studies are required by FIRMR to ensure that the user's needs are met at the lowest overall cost, price, and other factors. You should identify the requirement for a software conversion study early and include the necessary approvals in the planning process. The study's results are a major factor in establishing the acquisition strategy. This strategy includes cost and other factors associated with conversion

activities. Requirements for software conversion studies are available in FIRMR. A software conversion study is not required when one of the following conditions exists:

- (1) Initial acquisition when no software currently exists.
- (2) Acquisition of computer peripherals only.
- (3) Exercise of a purchase option under a lease.

i. Points in the study. A comprehensive software conversion study analyzes a conversion requirement. As a minimum, it includes the following:

- (1) Problem definition.
- (2) Inventory of the current system's components.
- (3) Description of the operating system environment.
- (4) Inventory of application programs and data files to be converted.
- (5) Alternative acquisition approaches with schedules for both the contracting and conversion effort.
- (6) General description of the target environment, including hardware and systems software, performance requirements, and constraints or limitations dictated by the needs.
- (7) Recommended approach to accomplish the conversion tasks, including analyses of alternative approaches with an economic and benefits analysis for each approach.
- (8) Specific agency actions to be taken to reduce the cost and risk of future conversions.

j. The GSA Federal Conversion Support Center. The center offers agencies assistance and guidance in performing and evaluating conversion studies. The center performs conversion studies and the conversion itself for agencies on a reimbursable basis.

k. Integrated logistics support plan. The integrated logistics support plan serves as the record and basis for the type of support needed to meet the user requirement. The logistic support requirements include support and test equipment, repair parts, personnel and training, equipment publications, physical facilities, technical assistance, and maintenance. The logistic support requirements are addressed in the plan and serve as input to both management and acquisition strategies. In addition, systems are configured or adapted to support the computer-aided acquisition and logistic support standards. DOD components program automated systems to receive, store, distribute, and use digital weapon systems technical information, including achieving the earliest possible date for digital input to DOD engineering data repositories. Plans for computer-aided acquisition and logistic support implementation and productivity improvements are addressed in Defense Acquisition Board and Major Automated Information System Review Council acquisition reviews and in corresponding service and agency reviews.

l. Inspection and acceptance. Delivered systems undergo an inspection and acceptance procedure to ensure that they operate to the manufacturer's specifications and meet all technical requirements of the solicitation and resultant contract or contracts. However, the user specifies, in the requirements documentation, the terms and conditions under which the system(s) will be inspected and accepted. Areas to be addressed in detail include standards of performance, performance period, required effectiveness levels and how they are to be calculated, return of benchmarks, acceptance of interfaces (especially those to Government- owned or -provided equipment), operational tests, and procedures for delaying the start of the performance period. You should address any other areas, as applicable, in inspection and acceptance procedures, for example, required operational demonstrations, TEMPEST acceptance standards, downtime stipulations for operational use time requirements, and maintenance of daily records. The contract identifies by name and position persons authorized to receive and accept data deliverables. The contract defines realistic review periods for these deliverables.

m. Operational tests. You need to consider operational tests for all multicommand systems and all command-standard systems operated at more than one data processing installation (multi-installation systems). The operational test is the intermediate step between the controlled environment of a system development and/or acquisition process and the attainment of full operational status. After all requirements have been validated and approved and the resultant contract(s) signed, ADP resources are delivered and installed, and inspection and acceptance procedures begin. For acquisitions that require an operational test, the test is part of an overall acceptance procedure. During the operational test, the capability of the system is evaluated in a live operational mode at a selected test site to ensure that requirements of the contract are satisfied. The system is tested with live data using the procedures described in the contract. The time for the test needs to allow for full evaluation. The user clearly specifies all details associated with any required testing and includes them in the requirements documentation. The acquisition agency or office incorporates details of all test requirements in solicitation packages.

n. Security and privacy considerations.

(1) All sensitive data are safeguarded from disclosure and protected from unauthorized modification or destruction. The program provides operational reliability of the ADP and telecommunication systems and prevents loss from natural hazards, fire, and other hazards. The RPF states any required security precautions.

(2) When security is required in performance of the work, you need to prepare DD Form 254 (Contract Security Classification Specification). The form specifies security clearance requirements for contractor employees, identifies

information requiring protection against unauthorized disclosure, and clearly and concisely provides guidance to contractors on how information developed under the contract needs to be properly marked, stored, and protected.

(3) Privacy requirements are governed by the Privacy Act of 1974 (5 USC 552a) and the FOIA. Under the Privacy Act, an agency contracting for the design, development, or operation of a system of records on individuals, on behalf of the agency, to accomplish an agency function applies the requirements of the Privacy Act to the contractor and its employees working on the contract. The Privacy Act does not apply to systems of records on individuals when—

(a) Records are maintained by the contractor on individuals whom the contractor employs in the process of providing goods and services to the Federal Government.

(b) An agency contracts with a State or private educational organization to provide training and the records generated on contract students about their attendance (for example, admission forms and grade reports) are similar to those maintained on other students and are commingled with the records on other students.

(c) AR 25-1 implements the requirements of the Privacy Act.

o. Delivery and installation requirements. The requirement clearly states the delivery instructions, including times and places, for the products and/or services being acquired. Upon delivery at the designated delivery points, the Government makes formal acceptance.

(1) The resultant contract defines who is responsible for shipping costs and any liabilities for equipment damage. The contract specifies the responsibilities of the contractor from the time the equipment leaves the contractor's facility until it is accepted by the Government.

(2) The contract lists delivery addresses and delivery dates. Every site address is listed for multiple-site delivery contracts, including building and room number and any special delivery instructions.

(3) For overseas deliveries, the contract defines the port of embarkation for each overseas site. The Government normally assumes responsibility for the equipment during overseas transit. The port of embarkation is the point at which this interim responsibility begins. Upon delivery to the port of entry, responsibility reverts back to the contractor until the Government formally accepts the equipment.

(4) The contract states the number of days allowed for equipment delivery. In addition, the contract defines when and how long the facility is to be available for installation. If the contractor is to deliver additional equipment to augment the initial installation, the contract specifies the number of days allowed for delivery and installation of the additional equipment after the original date named in the contract.

(5) The contract lists any other specific delivery requirements to be met by the contractor. If software is required for future delivery, the contract specifies that the additional software will be installed with all proposed features and will be usable by or before a specified date after the initial system configuration has been accepted.

p. Site preparation. The contract clearly specifies all conditions relating to site preparation and considers the delivery schedule. Government and contractor responsibilities are clearly outlined. Site preparation requirements include installation of additional power, supplemental cooling, power conditioning equipment, telephone lines, and raised flooring.

q. Acceptance tests. Acceptance testing begins after delivery and installation and as a part of the overall acceptance procedures. During acceptance tests, the capability of the system is evaluated in a live operational mode at a selected test site to ensure that the requirements of the contract are satisfied. Per the procedures described in the contract, live data are tested on the system. The period required for the test needs to allow for full evaluation. The user specifies all details associated with any required testing in the precontract documentation.

r. Inspection and acceptance. Normally, all equipment and software is accepted at the user site. However, equipment or software may need to be accepted at a central site for multiple-site installations. In either case, the complete site address is specified, including building, floor, room number, and any special instructions. In addition, any location at which the equipment will be physically inspected is specified. Inspection is defined as taking inventory of the equipment and software delivered by the contractor and is normally certified by DD Form 250 (Material Inspection and Receiving Report). The acquiring agency certifies that the system delivered is the system that was ordered by verifying equipment and software identification numbers. The contractor may not deliver equipment and software that were not defined in the contract.

s. Expansion requirements or optional requirements.

(1) Requirements approval documentation needs to reflect all expansion requirements and delineate optional quantities clearly. This key area may significantly enhance the flexibility of future operations.

(2) The duration of the requirements, type and number of data files required, and plans for future growth need to be considered when the best method to satisfy ADP needs is defined.

(3) You need to specify expansion capability when additional resources will likely be needed. You also need to define modular expansion capabilities to compensate for the uncertainties of predicting future workloads, operational environment, and application requirements and to ensure that the resulting contract covers these contingencies. These requirements may be expressed in the solicitation as definite additional quantities or a percentage of that which is

proposed. You should identify any software modifications necessary to accommodate the expansion items. To acquire expansion items under the original contract, you need to propose, evaluate, and identify them at time of award.

t. Evaluation criteria for "value" evaluations. You should clearly define all criteria that are to be given additional weight in the RFP and list them in their order of importance.

u. New versus used equipment. If new equipment is necessary, you need to justify, document, and request approval in the capability request and agency procurement request (APR). Normally, used or reconditioned equipment is acceptable for acquisition. You need to include appropriate clauses about used or reconditioned material in the RFP. Appendix D provides instructions and the format to be followed when an APR is prepared.

v. Contract Data Requirements List. The contract specifies any requirements for data, including operational manuals, maintenance manuals, test plans, software documentation, reports, flowcharts, or source codes. DD Form 1423 (Contract Data Requirements List), is the sole means of ordering data. The contractor is not required to deliver any data not listed in the Contract Data Requirements List (CDRL). The requiring agency prepares CDRLs as part of the acquisition documentation. DD Form 1664 (Data Item Description), is attached to the CDRL and describes the format, content, and other special requirements of the deliverables listed on the CDRL.

w. Independent Government estimate. Cost estimates that support economic analysis present realistic costs for decision making and cost control. Cost estimates address all resources needed to develop, acquire, operate, and support a system over its entire life.

(1) The independent Government estimate describes the rationale and mathematical computations or other sources used to derive the cost elements for each of the tasks or deliverables specified in the proposed contract.

(2) When formulating an independent Government estimate, you need to perform the following tasks:

(a) Compare competitive vendor price quotations.

(b) Compare earlier quotations and contract prices with current quotations for same or similar end items.

(c) Use rough yardsticks or parametric relationships to identify apparent gross inconsistencies,

(d) Compare prices on published lists issued on a competitive basis and published market prices (GSA catalogs or schedules).

5-3. Acquisition considerations

a. Competitive requirements. The Competition in Contracting Act, PL 98-369, took effect 18 July 1984. Contracting officers need to promote and provide for full and open competition in soliciting offers and awarding contracts, with certain limited exceptions (FAR, Parts 6.2 and 6.3). All responsible sources are permitted to compete. Competition is introduced in the concept development phase and maintained as long as economically practical throughout the acquisition cycle. In addition, both the Army and its contractors should separate components for competition as much as possible throughout the acquisition cycle. Competition restrictions cannot be approved unless they are justified.

b. Army delegation of procurement authority management program.

(1) The Director of Information Systems for Command, Control, Communications, and Computers is the senior official for information resources management. The Director of Information Systems for Command, Control, Communications, and Computers has designated the Director of USAISSAA as the sole authority to submit APRs to GSA for ADP equipment acquisitions and to retain or redelegate delegations of procurement authority received from GSA.

(2) The requiring agency or program manager and the contracting agency jointly develop APRs. (The FIRMR contains the APR format.) The chief of the contracting office submits to USAISSAA the APR, basic requirements documentation required by GSA regulation, and copies of acquisition approvals. USAISSAA reviews the APR and supporting documentation and ensures that the submission is complete and addresses the necessary planning and documentation requirements. The Director of USAISSAA signs the APR.

(3) USAISSAA addresses any GSA questions and concerns about the APR and retains or redelegates the resulting authority via an Army delegation of procurement authority. The Army delegation of procurement authority, normally issued to the chief of the contracting office, requires the contracting office to submit periodic reports on the status of the acquisition and contract. A delegation of procurement authority amendment is requested whenever the requirements, the cost estimate, award date, and/or acquisition strategy change. USAISSAA monitors delegations of procurement authority by reviewing delegation of procurement authority reports, protests, and requests for delegation of procurement authority amendments. More frequent status requests and field reviews of delegation of procurement authority and regulation compliance were initiated in the second quarter of fiscal year 1990.

(4) The Director of USAISSAA also determines exemptions as specified in AR 25-3. Army acquisitions are exempt from GSA authority if they involve intelligence activities, cryptologic activities related to national security, the command and control of military forces or equipment that is an integral part of a weapon or weapons system or is critical to the direct fulfillment of military or intelligence missions. (This exclusion does not include IMA resources used for routine administrative or business applications, such as payroll, finance, logistics, and personnel management.) USAISSAA maintains a database for Army headquarters of all determinations. Army heads of contracting activities promptly report to USAISSAA any determinations that they have made.

c. Acquisition plan. FAR, Part 7, states that the purpose of the acquisition plan is to ensure that the Government meets its needs in the most effective, economical, and timely manner. Acquisition planning usually starts the year

before the anticipated contract award. The acquisition plan promotes competition; however, if other than full and open competition is used, the planner coordinates with the contracting officer and the competition advocate. (See appendix D for required information concerning acquisition plans (FAR, DFARS, and AFARS, Part 7).)

(1) Acquisition planning should begin as soon as a need is identified, preferably well in advance of the fiscal year in which contract award is necessary. In developing the plan, the planner forms a team of all those who will be responsible for significant aspects of the acquisition, such as contracting, fiscal, legal, and technical personnel. The planner should review previous plans for similar acquisitions and discuss them with the key personnel involved in those acquisitions. The plan should address specific needs. The plan should also address key progression dates and allow for revision. You need to include decision milestones and technical, business, and management areas in the plan.

(2) Requirements and logistics personnel should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules because such urgent requirements generally restrict competition and increase prices. Early in the planning process, the planner should consult the requirements and logistics personnel who determine type, quality, quantity, and delivery requirements.

(3) Updates to acquisition plans are submitted for approval when program changes occur before contract award and when they materially affect any of the following sections of an acquisition plan:

(a) Acquisition background and objectives.

(b) Plan of action, including sources, competition, contracting considerations, and budgeting and funding.

d. *Developing and testing benchmarks.* When the acquisition will replace an existing system or augment an existing system with an additional system(s), benchmark demonstrations may be a major part of the evaluation. You should consider the dollar value of the acquisition, thresholds and criteria in acquisition regulations, and the costs to all parties for conducting benchmarks when establishing a requirement for their use. A benchmark is a collection of programs and data that represent a user's workload. A benchmark demonstration is a timed execution of the benchmark on a proposed computer system. It validates the vendor's claimed performance of the proposed hardware and software by accurately processing the user's workload within the required time constraints. Remote terminal emulation is a benchmarking technique used to evaluate computer systems and teleprocessing capabilities when it is impractical to configure an entire system for a test of the proposed systems, teleprocessing devices, and/or data communication facilities. The most critical aspects of benchmark and remote terminal emulation demonstrations are workload characterization and selection or development of software to represent the user's workload. This complex area requires time-consuming analysis and the preparation and approval of plans. Remote terminal emulation requires GSA review as described in AR 5-20. You need to plan and initiate this entire effort early in the acquisition cycle and use the advice and assistance of the designated acquisition agency (FIRMR).

5-4. Types of specifications

a. *Functional specifications.* You need to delineate the objectives that the acquisition is intended to accomplish. For acquisitions that include data processing requirements, you should describe the output and its intended uses, the data input, the data files and record content, the volumes of data, the processing frequencies, timing, and other factors that may be necessary to describe the system completely. More vendors can participate in the procurement if functional specifications are emphasized. Appendix E gives information on preparing functional specifications.

b. *Performance or design specifications.* You need to define minimum requirements, for example, minimum user output requirements, such as the amount of data that needs to be stored or processed within a given time, the number of lines of print that must be produced over a given time, and the operational reliability. Performance or design specifications define hardware factors, devoid as much as possible of vendor orientation (such as cycle time, computing speed, printer speed, tape read or write speed, size of memory, and expandability (modularity)), and the related software factors that measure the operating capability of equipment. When applied to the functional specifications, these factors quantitatively measure the operating time and capacity required to process the applications involved on that equipment. This type of specification discourages alternate system designs and requires considerable knowledge of technology.

c. *Composite or hybrid specifications.* These specifications use part functional and part performance requirements.

d. *Compatibility-limited specifications.* Some software and equipment need to be code-compatible or plug-to-plug functionally equivalent. A requirement statement identifies the items that they will replace or augment. The requirement statement also identifies compatibility with the existing operating system and ADP equipment. The purchase description lists one or more specific commercial products identified by brand name, make or model number, or other appropriate nomenclature, and defines those salient physical, functional, or other characteristics of the brand name product(s) that are essential to the needs of the Government. A plug-compatible or code-compatible item does not need to perform its functions in essentially the same manner as the referenced product; however, it needs to perform the same functions as the referenced product. Its use requires prescribed studies and justifications.

e. *Brand name or equal.* The purchase description defines salient physical, functional, or other characteristics of the brand name product(s) that are essential to the needs of the Government. Prospective contractors are allowed to offer products other than those specifically referenced by the brand name if they will meet the needs of the Government in

essentially the same manner as those referenced. One or more “equal” products need to be identified before this type of specification can be used.

f. Specific make and model. A requirement may be so restrictive that only the specified make and model will satisfy the Government’s needs. Its use needs to be justified and approved for other than full and open competition.

g. Justification and Approval. The format for the Justification and Approval format shown in figures 5-3 and 5-4 should be used for approval of other than full and open competition for contracting actions over \$10 million. As shown in figure 5-3, the justification review document should include the control number, a list of equipment or program, authority, the cost, and the name, title, Defense Switched Network (DSN) number, and date of the preparer; it also includes the signature, typed name, title, DSN number, and signature date of the program manager, staff judge advocate, principal assistant responsible for contracting, advocate for competition, and Army Materiel Command competition advocate. This format may be used for actions under \$10 million although not all signatures may be needed (FAR, Part 6). Justification and Approval exceeding the threshold requiring acquisition plans should be supported by approved acquisition plans. A previously approved acquisition plan may support a Justification and Approval. The type of contract and options in estimated price should be included.

H. Current Technology Substitutions/Additions

On commercial announcement of new components that can be technically and economically substituted or added for or to items listed in section B of this contract, the contractor shall offer said items for addition or substitution. These item(s) may be accepted at the option of the Government if at least equivalent performance with economic benefits or significantly enhanced performance with economic benefits or significantly enhanced performance accrues at no additional cost per unit of capability to the Government. The transaction shall be accomplished by means of a bilateral modification to the contract and shall be negotiated in accordance with paragraph (b) of the “Changes Clause,” contained at I., of this contract but in no event, will the prices for the particular item be in excess of the GSA automated equipment schedule price or the price charged to the contractor’s most favored commercial customer, whichever is less. The offer of component substitution or addition shall be supported by the information required by paragraph b(1) through (5) of the Engineering Changes Clause contained at H. of this contract. The contractor shall be reimbursed the reasonable cost associated with preparation of a proposal for component substitution or addition described above if (1) the contracting officer deems such proposal acceptable for adoption under the provisions of this clause, and (2) the contractor requests reimbursement separately or as an element of the proposal. The decision as to the acceptability of such a proposal shall be at the sole and exclusive discretion of the contracting officer and not subject to the disputes article of this contract.

Figure 5-1. Sample clause H, current technology substitutions or additions

H. Engineering Changes

a. In accordance with the clause contained at H, the contractor must propose commercially announced technological improvements. In addition, the contractor is encouraged to propose independently engineering changes to equipment, software, or other contract requirements irrespective of commercial announcement. These changes may be proposed because of immediate economy or to improve performance, to save energy and personnel, or to meet increased data processing requirements, and therefore, to reduce projected life-cycle costs. After reviewing the contractor's suggested changes, the Government, at its discretion, may ask for a price proposal. If the Government agrees to the technical and price proposals of the contractor, changes shall be processed as modifications to the contract.

b. This clause applies only to those proposed changes initiated by the contractor and identified as a proposal submitted pursuant to the provisions of this clause. As a minimum, the following information shall be submitted by the contractor with each proposal:

(1) Describe, in detail, the difference between the existing contract items and/or services and those proposed, and provide a specific analysis of the comparative advantages and disadvantages of each.

(2) List specific items or services contained in the contract that must be changed if the proposal is adopted; for example, if new equipment is offered to replace currently installed equipment, state whether the old equipment will be exchanged for the new and on what basis.

(3) State how the changes will affect performance, costs, and so on, if adopted.

(4) Evaluate the effects the change would have on life-cycle costs, such as Government-furnished property, maintenance, personnel, site modification, energy, and so forth.

(5) Analyze a timeframe in which the change should be instituted so that the Government receives the maximum benefit for the remainder of the contract.

c. The decision of the contracting officer as to the acceptance of any such proposal under this contract shall be final and not subject to the Disputes clause of this contract.

d. Acceptance of any engineering change proposal submitted pursuant to this clause shall be made by issuance of a written modification to this contract. Unless and until such a modification is issued to the contractor, the contractor remains obligated to perform in accordance with the terms of the existing contract.

e. If a change proposal submitted pursuant to this clause is accepted and applied to this contract, either the contractor or the Government shall be entitled to an equitable adjustment in the contract price. When the cost of performance of this contract is either increased or decreased as a result of the change, the equitable adjustment increasing or decreasing the contract price shall be in accordance with the Changes clause rather than under this clause, but the resulting contract modification shall state that it is made pursuant to this clause. In those cases when the entitlement to equitable adjustment is essentially equal between the parties, there may be no net increase or decrease in the contract amount.

f. The contractor is given the option of submitting its engineering change proposal as a Value Engineering Change Proposal in accordance with FAR, Clause 52.248-1, Value Engineering (March 1989), contained in this contract. In such case, that clause shall govern the transaction, including the information to be contained in such a proposal.

g. If the Army asks for a price proposal on the Engineering Change submitted by the contractor under the provisions of this clause, the Army agrees to reimburse the contractor for its reasonable actual costs in formulating both the technical and price proposals.

Figure 5-2. Sample clause H, engineering changes

(Control No.)

Program/Equipment: (List)

Authority: (Name)

Amount: (Cost)

Prepared by:

(Typed name, title)

(DSN)

(Date)

Signatures are required below.

I have reviewed this Justification and Approval and find the justification adequate to support other than full and open competition.

Program Manager¹:

(Typed name, title)

(DSN)

(Signature)

(Date)

Staff Judge Advocate:

(Typed name, title)

(DSN)

(Signature)

(Date)

Principal Assistant Responsible for Contracting:

(Typed name, title)

(DSN)

(Signature)

(Date)

Advocate for Competition:

(Typed name, title)

(DSN)

(Signature)

(Date)

Army Materiel Command Competition Advocate²:

(Typed name, title)

(DSN)

(Signature)

(Date)

Notes:

¹If there is no Program Manager, use "N/A."

²For Army Materiel Command Justification and Approval.

Figure 5-3. Sample justification review document for other than full and open competition

-
1. *Contracting agency.* This section specifies the contracting agency responsible for this action.
 2. *Description of action.* This section describes the nature of the contractual action for which approval is requested (that is, new contract or modification) and includes type of contract, type of funds to be used (research and development, Other Procurement, Army, or Operation and Maintenance, Army), and estimated share and ceiling arrangements, when applicable.
 3. *Description of supplies or services.* This section describes the supplies or services to be acquired and includes the estimated total value, including options, if any.
 4. *Authority cited.* This section identifies the statutory authority, FAR title, and FAR citation permitting other than full and open competition.
 5. *Reason for authority cited.* This section describes how this action requires the use of the authority cited. If applicable, it identifies the proposed or potential contractor(s) and discusses the proposed contractor's unique qualifications for fulfilling the requirements. If the authority is urgent, this section includes the required delivery schedule and lead-times involved.
 6. *Efforts to obtain competition.* This section describes the efforts made to ensure that offers are solicited from as many potential sources as is practicable and the extent of effective competition anticipated for this acquisition.

Figure 5-4. Format for justification and approval for other than full and open competition

7. *Actions to increase competition.* This section states the actions taken (or to be taken) to increase competition before any subsequent acquisition of the supplies or services is required. It may not be possible to complete the current acquisition; therefore, this section explains how competition will be increased or enhanced for the required supplies or services including breakout or other considerations. If the requirement is a repair part, this section addresses whether or not it has been screened under FAR, Supplement Number 6. If screening has occurred, this section provides the Acquisition Method Code and Acquisition Method Suffix Code. It also provides the approximate date of technical data package availability.

8. *Market survey.* This section describes the extent of the market survey (FAR 7.101) conducted to identify all qualified sources and the results thereof, or, only if justified, reasons why one was not conducted. (The contracting officer obtains advance approval from the head of the contracting agency if a survey is not to be conducted. This requirement applies to all procurements in excess of \$10 million, which require a Justification and Approval. This is an AFARS requirement.)

9. *Interested sources.* This section lists the sources that expressed written interest in the acquisition. This section explains why such other sources responding to the synopsis were rejected. (A synopsis should be issued as soon as the procurement package is received so that contractors may respond while the Justification and Approval is being written because the synopsis and its results will have occurred before processing the Justification and Approval in accordance with FAR 6.302-1(c)(2).) If applicable, this section clearly states that "To date, no other sources have expressed an interest in writing." It also states that the notices required by FAR 5.201 shall be or have been published and any bids and proposals received shall be considered. If a notice will not be published in the *Commerce Business Daily*, this section identifies the exception in FAR 5.202 that applies.

10. *Other factors.* This section discusses any other factors supporting the use of other than full and open competition, such as—
a. *Procurement history.* The following items of information should be included:

- (1) Contract numbers and dates of the last several awards.
- (2) Competitive status of these actions.
- (3) Authority for less than full and open competition previously used.
- (4) If a Justification and Approval was prepared to support the immediately prior purchase, a brief description of the actions to increase competition (para 7 above) mentioned in that prior Justification and Approval, and an explanation of the results thereof.
- (5) If any prior award was fully competitive, an explanation of the changed circumstances in detail.
- (6) An explanation of any unusual patterns that may be revealed by the history, for example, several consecutive, urgent purchases.

(7) If a Justification and Approval was prepared to support the immediately prior purchase, a brief description of the circumstances justifying the last purchase and whether there have been any significant changes.

b. *Accessibility of information.* The required information may not always be easily accessible; however, reasonable efforts to retrieve it are expected. Resources include past contract files, and for U.S. Army Materiel Command, the Commodity Command Standard System files, particularly the procurement history file, and, in unusual cases, the Competition Management Office may be of assistance. When data are lacking, you should fill in as much as is available and write "unknown" in the appropriate areas so that a reviewing office with different resources or points of view may be able to fill in the missing information.

c. *Acquisition data availability.* This section explains why technical data packages, specifications, engineering descriptions, statements of work, or purchase descriptions suitable for full and open competition have not been developed or are not available, and describes actions taken or planned to remedy this situation.

d. *Follow-on contracts.* When FAR 6.302-1(b)(2) is cited, this section includes an estimate of the cost that would be duplicated and the basis for and derivation of the estimate.

e. *Unusual and compelling urgency.* When FAR 6.302-2 is cited, this section provides data, estimated cost, or other rationale on the nature and extent of the harm to the Government. If the inclusion of first article testing is the principal reason for not awarding the contract on a full and open basis, this section clearly describes the reasons that first article testing is required on this procurement and why other means of ensuring quality are not being used.

f. *Subcontracting competition.* In single source situations, this section addresses efforts to be taken by the Government to ensure that the prime contractor obtains as much competition as possible in its subcontracting.

11. *Technical certification.* This section includes the following statement: "I certify that the supporting data under my cognizance which are included in the Justification and Approval are accurate and complete to the best of my knowledge and belief."

(Signature)

(Signature block including name, title, and date)

12. *Requirements certification.* This section includes the statement in 11 above.

(Signature)

(Signature block including name, title, and date)

13. *Fair and reasonable cost determination.* This section includes the following determination: "I hereby determine that the anticipated cost for this contract action will be fair and reasonable." This section provides the basis for this determination; for example, it describes the techniques to be used to determine fair and reasonable price, such as cost analysis, price analysis, audit, should cost, independent Government estimate, and so on.

14. *Procuring contracting officer certification.* This person is the contracting officer who will sign the contract resulting from this Justification and Approval. This section includes the following statement: "I certify that this Justification and Approval is accurate and complete to the best of my knowledge and belief."

Figure 5-4. Format for justification and approval for other than full and open competition—Continued

(Signature)

(Signature block including name, title, and date)

Approval

Based on the foregoing justification, I hereby approve the procurement of [you should state what equipment or services are being procured] on an other than full and open competition basis pursuant to the authority of section 2304(c)(),¹ title 10, United States Code, subject to availability of funds, and provided that the services and property herein described have otherwise been authorized for acquisition.

(Signature)

(Date)

Note:

¹ The parentheses should remain blank because the information changes according to the exception used. The contracting officer fills in the appropriate number.

Figure 5-4. Format for justification and approval for other than full and open competition—Continued

Chapter 6

Phase 2, Design

6-1. Function

Phase 2 completes the information system technical specifications, validates the selected system design, secures commitment of funds, and selects the acquisition approach.

6-2. Principal areas for planning and evaluation

- a. You need to determine the information system design based on refined functional requirements and information system functional description.
- b. You need to incorporate the results of the demonstration and prototyping activities into the information system design.
- c. You need to select modern development technologies to be used in the development of the information system that are consistent with the complexity of the information system design.
- d. You need to consider fully information system maintenance and logistics requirements that are part of the information system design.
- e. You need to develop security specifications based on identified security requirements and potential threats and vulnerabilities.
- f. You need to identify program resources in the Five-Year Defense Program that satisfy the requirements of the program plan and proposed schedule.

6-3. Acquisition considerations

- a. *ADP sharing program.* (The FIRMR provides additional information.)
 - (1) The process of selecting and acquiring ADP resources is not initiated unless it has been determined that the required ADP capability cannot be met economically and efficiently by using existing ADP resources on a shared, reimbursable basis. You need to document the basis for an unsuccessful determination.
 - (2) Agencies determine to what extent their ADP resource systems will be available to users. A system does not need to be shared if it is unique to a particular mission or does not lend itself to sharing because of its design. The following ADP equipment is exempt from the requirements for sharing: equipment built or modified to design specifications, equipment with no general purpose applicability, equipment integral to a weapons or space system, analog computers, or ADP equipment maintenance services.
- b. *ADP equipment reutilization.* Consider reuse of excess ADP equipment when such reuse represents the least overall cost to the Army and when it does not involve the use of outdated ADP equipment. (GSA defines outdated ADP equipment as more than 8 years old from date of first commercial installation. This definition does not relate to system life of ADP equipment.)
 - (1) Reuse of excess Government-owned ADP equipment is not a procurement action and, therefore, is not subject to

the laws and regulations governing new procurement. DOD Manual 7950. I-M prescribes procedures for reutilization or relocation of ADP equipment.

(2) Reuse of leased ADP equipment is considered the same as a new procurement and is subject to the laws and regulations governing new procurement.

c. *Source Selection Plan.* The Source Selection Plan is the written guide for the formal source selection process. (A source selection process is considered “formal” when a specific evaluation group structure is established to evaluate proposals and select the source for contract award.) The Source Selection Plan describes how proposals will be solicited from industry; how they will be evaluated, scored, and summarized after receipt; and the negotiation procedures. It distinguishes what is important and defines the relative importance of criteria. The Source Selection Plan lists the responsibility for source selection of the source selection authority (SSA) and the source selection advisory council (SSAC), in conjunction with the source selection evaluation board (SSEB). The Source Selection Plan and RFP are closely linked documents. When RFP requirements change, the Source Selection Plan and its attendant evaluation criteria also change. The purpose of the Source Selection Plan is to ensure impartial, equitable, and comprehensive evaluation of competitive proposals. The Source Selection Plan describes detailed plans and procedures for the SSEB; establishes the structure of an administrative system for evaluating and scoring proposals; and documents the baseline for recording and supporting the SSEB. The Source Selection Plan leads to selection of a contractor whose proposed program will provide the optimum approach and best value to the Government. As a minimum, the Source Selection Plan includes the requirements specified in FAR 15.612. The program manager or the contracting officer prepares the Source Selection Plan; the contracting officer, attorney or advisor, and key SSEB and SSAC members review it; and the SSA approves it before the solicitation is issued.

Chapter 7

Phase 3, Development

7-1. Function

Phase 3 develops the information system, tests the completed information system to ensure that it satisfies the mission needs described in the mission need statement, and prepares for deployment.

7-2. Acquisition considerations

a. *Commercial contractual vehicles.* Some requirements are available from only one responsible source; requirements using specific make and model specifications or requirements for outdated ADP equipment or requirements that include one or more components of outdated ADP equipment have lower thresholds (FIRM). The contracting officer selects the acquisition method that represents the lowest overall system or item life cost to the Government, with price and other factors considered. If this approach is used, the solicitation should be structured so that offers can be evaluated in this regard.

(1) GSA selectively executes requirement contracts for certain ADP equipment, services, and supplies. Requirements contracts are mandatory if the items under contract can satisfy the user’s needs. The Army also executes requirement contracts under GSA authority for Army-wide needs; these contracts are also mandatory if the items can satisfy the user’s needs. Information on the Army’s requirements contracts can be obtained from USAISSAA (ISSA-Z).

(2) Certain ADP supplies can be ordered from the Federal Supply Schedules. (FAR, Part 8, provides additional information.)

(3) GSA awards numerous contracts for ADP which may be used by anyone in the Federal Government. A delegation of procurement authority is not required if the orders are below a certain threshold. Orders up to a certain amount may be placed against the schedule without synopsisizing the requirement. These contracts are not the same as Federal Supply Schedules because they are not awarded on a competitive basis. Certain procedures need to be followed for the order to be awarded on a competitive basis. These procedures are set forth in FIRM.

(4) Other commercial sources may be used when Government sources or contracts cannot meet user needs.

b. *Hardware acquisitions.* Except as indicated in the FIRM regarding potential use of the ADP fund sharing and

the use of excess ADP equipment, agencies may procure hardware without prior approval of GSA when either (1), (2), or (3) below applies.

(1) The procurement is made by placing a purchase and/or delivery order against an applicable GSA requirements contract.

(2) The procurement is made by placing a purchase and/or delivery order against a GSA schedule contract if the following three conditions are met:

(a) The order is within the maximum order limitation of the applicable contract.

(b) The total purchase price of the item(s) covered by the order does not exceed a certain threshold (although the item(s) are to be rented or leased).

(c) The requirements set forth in FIRMR on the use of GSA schedule contracts are met.

(3) The procurement is made by solicitation procedures other than use of GSA requirements or schedule contracts, and the value of the procurement (including all options) does not exceed the current thresholds in FIRMR.

c. Software acquisitions.

(1) Before acquiring proprietary software, managers coordinate with the Director of Information Management or Information Management Officer to determine if similar requirements exist within the organization. (See AR 25-1, para 5-3.) Except for software available through the Federal Software Exchange Center and software provided with and not separately priced from the ADP equipment, agencies may procure software without GSA approval when either paragraph (a), (b), or (c) below applies.

(a) The procurement is made by placing a purchase and/or delivery order against an applicable GSA requirements contract.

(b) The procurement is made by placing a purchase and/or delivery order under the terms and conditions of an applicable GSA schedule contract.

(c) The procurement (regardless of method or time period) is made by solicitation procedures other than use of GSA requirements or schedule contracts, and the value of the procurement (including evaluated optional features) does not exceed the thresholds for competitive procurements and noncompetitive procurements set forth in FIRMR.

(2) When contracting for commercially available software, agencies should:

(a) Consider avoiding restrictive clauses that limit the use of the software to a specific ADP system, installation, or organization.

(b) Consider incorporating a clause that will permit other Government agencies to obtain the same software under the contract being negotiated.

(c) Receive additional quantity discounts if any other Government agency acquires the same software under the contract in question.

(d) Ensure that the contractor is obligated to support and maintain the software in subsequent years.

(3) DOD Standard 7935.A prescribes the technical documentation of software that is produced during the development process and is implemented by DA Pam 25-4. These two documents describe the preparation, content, and use of ten document types and define how to determine which ones are needed for a specific system.

(4) Software development, maintenance, sharing, and documentation need to consider the following:

(a) All Army agencies involved in software design and development for automated data systems use TB 18-103 as a guide.

(b) Documentation developed during the analysis and design of an automated data system is in accordance with the provisions of DA Pam 25-4.

(c) To reduce the costs of computer software development throughout the Federal Government and promote the sharing of common-use computer programs and/or related documentation, GSA has established a Software Exchange Program. The Federal Software Exchange Center has been established at the National Technical Information Services of the Department of Commerce to manage the software collection, processing, and dissemination involved in the Software Exchange Program. The U.S. Army Information Systems Command manages the sharing of Army-owned software through the Army Resources Planning Management Information System, the information systems clearinghouse, and the Army reusable code library.

(d) Army elements rely on executive software that complies with Government standards and that was developed and maintained by original equipment manufacturers or other commercial sources with a demonstrated capability to develop or maintain such software. The senior ADP policy official approves in-house development or maintenance of such software. Approval documentation shows that such action will provide significant economic benefits and improved mission support over the system life. Limited modifications of commercial executive software by in-house

capability should be justified when either—

1. An obvious flaw or error exists in the software and the mission requirements or exigencies preclude vendor or other commercial source modifications or correction.

2. The modification is dictated solely by the well-justified need to safeguard DOD information, and the vendor does not agree to develop or maintain such modification.

3. The modification reduces hardware upgrade requirements through improvement of ADP equipment processing time performance, and the vendor does not agree to develop or maintain such modification.

4. The proposed changes do not in any way violate contractual terms and conditions for vendor support.

d. ADP support services. Before acquiring ADP support services from commercial sources, you should first determine that the required capability cannot be met by existing Federal ADP resources. Therefore, you should—

- (1) Consider commercial teleprocessing services as an alternative to acquiring additional equipment. Teleprocessing service costs may be significantly less than the cost of a comparable equipment purchase or lease.

- (2) Consider the duration of the requirements and type and number of data files required, and plan for future growth when deciding on the best method for satisfying ADP needs. For example, teleprocessing services may provide an interim upgrade of processing capabilities or may provide processing of infrequent applications exceeding the user's in-house capability.

- (3) Screen other Government ADP units in the vicinity for availability.

e. Maintenance acquisitions. In accordance with FIRMR, agencies may procure maintenance services without prior GSA approval either when the procurement is to be made by placing a purchase or delivery order under the terms and conditions of an applicable GSA schedule contract or when the procurement is to be made by solicitation procedures other than use of GSA requirements or schedule contracts and the monthly charges do not exceed certain dollar thresholds contained in the FIRMR. The feasibility and economics of obtaining ADP equipment maintenance services from various sources (for example, original equipment manufacturer, separate maintenance services contractor, in-house resources, or any combination thereof) are considered for nontactical ADP equipment in accordance with the provisions of applicable DA Circulars. When ADP equipment is to be maintained in-house, a maintenance support plan is prepared and submitted in accordance with AR 700-127. ADP equipment deployed in combat, combat support, or combat service support units is managed within the standard military and logistic support structure. You should consider the following factors when determining the source of maintenance support:

- (1) Operational requirements (peacetime or wartime) and environment of the system.

- (2) Size and location of the installation(s) (continental United States or overseas).

- (3) Impact of split Government and contractor maintenance responsibility.

- (4) Relative amount of contractual and in-house maintenance support.

- (5) Experience and training requirements for maintenance personnel.

- (6) Cost factors, including amortization of training cost.

- (7) Availability of repair and/or replacement parts.

- (8) Commonality with other fielded equipment.

- (9) Utilization and cost benefits of support agreements.

f. Integration contracts. Integration contracts are essentially management contracts under which a contractor assumes total responsibility for providing the Government's needs. The contractor generally is not a manufacturer but obtains equipment from one or more manufacturers, configures the system, and provides the system to the Government. The contractor may or may not perform modifications to make the various pieces operate as a system. Many integrators rely extensively on subcontractors, but some integrators employ a staff with expertise in developing and managing systems.

g. Telecommunications. Agency telecommunications requirements are submitted to GSA through the Army Commercial Communications Office in accordance with procedures outlined in FIRMR unless the agency requirement is exempt under those provisions. The Army Commercial Communications Office manages leasing of communications. If the requirement is exempt under FIRMR or if GSA determines that the service, efficiency, and the least overall cost to the Government are best achieved through direct agency action, the agency is authorized to contract and follows the procedures in FIRMR. You should consider costs and other factors, including all costs of service, delivery, administrative and engineering support activities, and service requirements. Service requirements satisfy the needs of national security, emergency preparedness, connectivity, management, and control in addition to basic service delivery.

- (1) You should use functional telecommunications system specifications where possible. Agency telecommunications specifications are not limited to tariff descriptions. Where applicable, requirements are defined so that all responsible tariff and nontariff suppliers are able to submit offers.

- (2) Even if a tariffed carrier can provide the required service and/or equipment, the specifications are still justified to order from the tariffed carrier.

Chapter 8

Required Funding Information

8-1. Funding information

A fundamental consideration in milestone revisions is the ability to provide sufficient resources to execute a program efficiently and effectively. Authorization to proceed into the next acquisition phase is accompanied by assurance that sufficient resources are available or can be programmed to execute the program.

8-2. Documentation

- a. DA Form 3953 (Purchase Request and Commitment) is used to commit funds for the purchase of hardware, software, supplies, or services.
- b. DD Form 448 (Military Interdepartmental Purchase Request) is used to reimburse DOD, including other Army agencies.
- c. Purchase request order numbers are assigned to various funding documents.

8-3. Type of funds

- a. Other Procurement, Army, (OPA) funds are used to purchase items when the unit or system cost exceeds \$15,000 or when the system is centrally managed. This rule only applies to actions when the use of the OPA action is appropriate. It does not apply to purchases when other appropriations should be used (for example, research, development, test, and evaluation, Military Construction, Army, and Civil Works). These funds are available for obligation for 3 years.
- b. Operation and Maintenance, Army, (OMA) funds are used for ADP services and maintenance and may be used to purchase items when the unit cost is less than or equal to \$15,000 if the item is a stand-alone item, is not a component of a system, and is not centrally managed. OMA funds are annual or I-year funds that are obligated during the fiscal year for which they are provided. When contract actions include both supplies and services, contract line items are structured so that appropriations are identified separately.

8-4. Program resources

The Long-Range Research, Development, and Acquisition Plan is the programming document used to obtain OPA, research, development, test, and evaluation resources. A program objective memorandum and command operating budget are used to obtain OMA resources.

Chapter 9

Solicitation, Evaluation, and Award

9-1. Presolicitation

- a. *Presolicitation conference.* For high-dollar value or complex acquisitions, Presolicitation conferences may be held to inform industry of the forthcoming RFP and its anticipated goals. Vendors may ask questions and make suggestions concerning the acquisition approach. Copies of the RFP are given to all who attend the conference.
- b. *Obtaining delegation of procurement authority.* See paragraph 5-3b for delegation of procurement authority information.
- c. *Solicitation package.* The acquisition office develops the solicitation package after receiving technical specifications from the user. In large acquisitions, the acquisition office is involved from the inception of the program. The solicitation package itself is prepared in the same manner as solicitation packages for any other commodity. However, several clauses are unique to ADP equipment, and the contract duration may exceed that of other solicitations. ADP equipment contracts may be written for periods exceeding 5 years. They contain required clauses from FIRMR, FAR, DFARS, and AFARS. Most require rigid inspection and acceptance tests, which mandate a clear description of the acceptance procedures. Some contracts require that benchmarks be performed before the proposal due date with the results submitted as a part of the contractor's proposal; other benchmarks are performed during the proposal evaluation stage. In these instances, the benchmarks are developed and the tapes are prepared before the RFP is released. If an operational demonstration is part of the proposal evaluation phase, the RFP furnishes the details of the demonstration.
- d. *Benchmark tapes.* If a benchmark is used, benchmark requirements are provided. (See para 5-3d.)
- e. *Draft RFP.* It is Army policy to use draft RFPs for complex, high-dollar value acquisitions. Draft RFPs should also be used if there are concerns with the statement of work or specifications or if significant technical risks exist. If an acquisition plan is required and a draft RFP is not used, the acquisition plan includes justification for not using a draft RFP (AFARS, Part 15).
- f. *Revisions to draft RFP.* If a draft RFP is used, the comments received from industry are reviewed, and the RFP is

revised as necessary. Revisions often are needed to clarify language, delete unnecessary requirements, or eliminate restrictive elements in the specifications.

g. Review by, competition advocate. Acquisitions that are conducted on an other than full and open competition basis are reviewed and approved. Acquisitions between \$100,000 and \$1 million are approved by the competition advocate of the designated procuring agency, between \$1 million and \$10 million by the head of the contracting agency or designee, and over \$10 million by the Army's acquisition executive after review by the Army competition advocate.

h. Synopsis requirements. FAR, Part 5, provides more information.

i. Release of solicitation. After all necessary approvals are received, the solicitation is released to industry. Vendors need enough time to prepare adequate proposals.

9-2. Formal source selection procedures

a. In most competitive procurements, the contracting officer determines the successful offer. In major system acquisitions, broader management participation in the source selection decision is essential.

b. The Assistant Secretary of the Army (Research, Development, and Acquisition) or designee is the SSA for major information systems or designated Army programs. For other significant acquisitions, the head of the contracting agency may delegate someone other than the contracting officer as the SSA. The SSA conducts the source selection process and makes the final source selection decision.

c. An SSAC may be appointed to advise the SSA on an acquisition. If used, the SSAC should consist of senior Government personnel with the expertise to prepare a comparative analysis of the evaluation results.

d. The SSEB evaluates proposals against the requirements stated in the solicitation and reports the findings to the SSAC or SSA, as appropriate. The SSEB should be composed of personnel representing the various functional and technical disciplines relevant to the acquisition to ensure a comprehensive evaluation. Once the source selection process begins, participants in the evaluation should avoid any discussions with offers regarding proposals or any related matters to preclude even the appearance of favoritism or any other improper action. However, offers may participate in negotiations at the request of the contracting officer.

e. The project manager prepares a Source Selection Plan, the contracting officer reviews it, and the SSA approves it before the solicitation is issued. Typically, a Source Selection Plan consists of at least two parts. Part one describes the organization, membership, and responsibilities of the source selection team. While it is prudent not to disclose source selection team membership until after contract award, this part of the plan does not normally contain source selection sensitive information. Part two identifies evaluation criteria and detailed procedures for proposal evaluation. Source selection sensitive information in the plan is protected from unauthorized disclosure to ensure the fairness and integrity of the source selection process.

(1) The evaluation plan is prepared before the RFP is released so that desired evaluation factors are included in the RFP and so that offerors are aware of the importance that the Government attaches to various aspects of the proposal. Evaluation criteria and their related importance flow from the statement of work and are reflected in Section M of the RFP. Excessive subdivision of criteria should be avoided, but key elements of the requirements are addressed. These key elements are suitable for judging and/or measuring the merits of prospective contractor proposals or offers compared with the documented Army requirements.

(2) The evaluation plan should include the procedures to conduct the evaluation. It should inform evaluators of scoring and rating methods and should stress the importance of keeping accurate records. The responsibilities of each team member should be listed. The procedures should be concise and clear so that members who have never served on an evaluation team can understand their responsibilities.

9-3. Evaluating proposals

All technical and nontechnical factors of specifications need to be evaluated thoroughly, impartially, and equitably for all acquisitions. The procedures for evaluating responses to solicitations are governed by the appropriate acquisition regulations and vary with the type of solicitation, acquisition complexity, type of specifications used, and the desires of either the contracting officer or, in formal source selection, the SSA. For negotiated procurements, the technical portions of proposals are graded by either pass or fail, value, or weighted scoring, or a combination of these methods. For scaled bidding, evaluations are only pass or fail. A cost analysis determines the total contract life cost for each vendor's proposal. Cost is the determining factor in most acquisitions.

a. Cost proposals. Cost proposals are evaluated for total cost to the Government and also consider the reasonableness and realism of the proposal. Reasonableness is determined by assessing the level of the proposed effort; the test for realism ensures that risk is considered to preclude a buy-in. Cost evaluators may use field pricing reports and audit reports in their analysis. For complicated acquisitions, certain software programs can aid in the cost evaluation. USAISSAA has information regarding the program used for cost evaluation.

b. Technical proposals. Proposals are evaluated using the evaluation criteria set forth in the RFP. The SSEB does not evaluate the relative merits of one proposal compared with another but assesses each offeror's ability to satisfy the requirements of the solicitation. The soundness of the technical approach is evaluated on the basis of both its feasibility

and the level of resources to be applied in terms of the quantity and skill mix of the proposed labor. Each evaluator supports the rating assigned with a concise narrative that addresses strengths, weaknesses, and risks in the proposal. Proposal evaluations are documented to record how the overall score of the proposal was derived and to record that the evaluation was fair, comprehensive, and performed in accordance with the evaluation plan.

9-4. Negotiations

The contracting officer communicates with all offerors regarding their proposals. Negotiations are held to discuss an offeror's proposal and alert the offeror to deficiencies that render the proposal unacceptable unless changed. Deficiencies that the evaluators clearly understand and that cannot be corrected without a major revision or a fundamental change in the technical approach are evaluated as proposed. The Government may not engage in either technical leveling or technical transfusion. Terms and conditions, including general and special provisions, cost, profit, and type of contract, may be included in negotiations.

9-5. Award

At the conclusion of the evaluation period, the SSEB reports its findings to either the SSAC or the SSA. The SSA weighs the relative merits of the proposals using the criteria set forth in the Source Selection Plan. After the SSA makes the source selection decision, the contracting officer awards the contract and ensures that appropriate notifications are made.

9-6. Contract administration

a. Responsible agency. Contract administration may be performed by the agency awarding the contract, by another contracting agency assigned to administer the contract, or by Defense Contract Administration Services. If possible, contract administration should be assigned to an office in the area where the major portion of contract performance will occur.

b. Contracting officer's representative (COR). Immediately before contract award, the agency should nominate a COR. The COR assists the contracting officer in administering the contract and ensuring that the scope of the contract is not inadvertently exceeded by the using agency or the contractor. Normally only one COR is appointed. However, if goods or services are received at multiple sites, if shift work is involved, or if the nature and complexity of the requirement are such that one COR is not sufficient, the contracting officer may designate alternate CORs. CORs should have completed the COR course at the U.S. Army Logistics Management College, similar courses, or training approved by the contracting officer. Other factors that should be considered in recommending a COR include knowledge of the Government contracting process; familiarity with pertinent contractual topics, such as changes, inspection and acceptance, Government property, terminations, value engineering, and nonexcusable delays in contract performance; previous on-the-job training or experience as a COR; ability to analyze, interpret, and evaluate the factors involved in contract technical administration; ability to exercise mature judgment; evidence of high standards of character and ethics; and knowledge of the product or services under contract. The term "contracting officer's technical representative" is often used, but it is not an official term in the AFARS, and there is no official designation as such. A contracting officer's technical representative is essentially a COR who has technical expertise in the area of the contract specifications. CORs may be authorized to take any action that could lawfully be taken by the contracting officer if the action does not in any way affect the price, delivery, quantity, or quality under the terms of the contract. The COR's specific responsibilities are set forth in a Letter of Delegation signed by the contracting officer. Duties may include—

- (1) Issuing written interpretations of the technical requirements of Government drawings, designs, specifications, or statements of work.
- (2) Reviewing contractor's efforts to ensure that technical requirements and intent of the contract are met.
- (3) Ensuring that the contractor strictly adheres to the terms of the contract and that the scope of work is not exceeded.
- (4) Reviewing contractor proposals for technical adequacy, correctness, reasonableness of work estimates and costs, and duplication of work or cost.
- (5) Certifying the contractor's progress.
- (6) Notifying the contractor in writing of deficiencies observed and requesting corrective action. Recording and reporting to the contracting officer any incidents of faulty work by the contractor.
- (7) Furnishing technical advice.
- (8) Assisting designated Government inspectors in the test, evaluation, and inspection of completed items, programs, or systems.
- (9) Ensuring that Government property is available when required.
- (10) Completing other specific duties delegated by the contracting officer.

c. Inspection and acceptance. Goods or services received under contract are inspected and accepted in strict accordance with the inspection and acceptance procedures in the contract. Contracts should specify these procedures to ensure that the delivered systems fully meet the specifications. This activity may occur over the system life, or it may

occur only once. Government representatives sign acceptance documents as soon as they see that the goods and services conform to contract requirements and forward the acceptance documents to the appropriate office for payment.

d. Renewals. Most ADP contracts are written for several years' duration. The Government has the unilateral right to renew the contract at the prices stated in the contract as long as certain conditions are met. The contracting office advises the user in advance of the renewal time and requests that certain statements and documentation be provided so that renewal may take place on schedule. Users certify that there is a continuing need for the service, and they provide funds for the following year. Contracting officers determine that the price is still fair and reasonable before exercising the option to renew. The cognizant contracting officer makes the final decision to exercise the option.

Chapter 10 Training

10-1. Sources

Training may be performed by Government personnel or contractors depending on the size and importance of the system. To be effective, training should take place as close to the beginning of use of the system as possible.

10-2. Contracting personnel

The DOD ADP Training Coordination Group (Office of Assistant Secretary of Defense (Comptroller), Washington Navy Yard, WASH DC 20374-2200) provides a consolidated list of over 800 ADP courses offered by all DOD components and the U.S. Civil Service Commission. The U.S. Army Logistics Management College (ATTN: AMXMC-A-R, Fort Lee, VA 23801-6041, DSN 6872177/4220 or telephone (804) 734-2177/4220) offers courses in IMA acquisition for contracting personnel entitled "Defense Contracting for Information Resources" and "Contracting Officer's Representative Course." GSA (Automated Data and Telecommunications Service, WASH DC 20405-0001, telephone (202) 5661126) issues policies, procedures, and guidelines concerning Government-wide procurement and management of ADP equipment and related services. GSA assists agencies in the application of the policies, procedures, and guidelines. Figure 10-1 lists GSA regional offices. Other training sources are listed in figure 10-2.

10-3. Functional project personnel

The DOD Computer Institute offers IMA acquisition training for functional personnel.

10-4. Users

Users are trained on specific IMA as provided under contract. Either Army personnel or vendors provide this training.

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

Thomas P. O'Neil, Jr. Federal Building
10 Causeway Street
Boston, MA 02222-1030
(617) 565-8100

New Jersey, New York, Commonwealth of Puerto Rico, and the Virgin Islands

26 Federal Plaza
New York, NY 10278-0091
(212) 264-1234

Delaware, Maryland, Pennsylvania, Virginia, District of Columbia, and West Virginia

7th and D Street, S.W.
Washington, DC 20407-0001
(202) 708-5804

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
1776 Peachtree Street, N.W.
Atlanta, GA 30303-3389
(404) 331-5103

Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
219 South Dearborn Street
Chicago, IL 60604-1502
(312) 353-5383

Iowa, Kansas, Missouri, and Nebraska
1500 East Bannister Road
Kansas City, MO 64131-3087
(816) 926-7203

Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
819 Taylor Street
Fort Worth, TX 76102-6195
(817) 334-3284

Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming
Building 41
Denver Federal Center
Denver, CO 80225-6185
(303) 236-7408

Alaska, Arizona, California, Hawaii, and Nevada
525 Market Street
San Francisco, CA 94105-2799
(415) 744-5050

Idaho, Oregon, and Washington
GSA Center
Auburn, WA 98002-8015
(206) 833-5411

Defense Systems Management College
Building 202
Fort Belvoir, VA 22060-5581
(703) 664-6623

Information Resources Management College
Building 175
Washington Navy Yard
Washington, DC 20374-5086
(202) 433-3391

Office of Records Management

National Archives and Records Service
Washington, DC 20408-0001
(202)376-8817

Air Force Institute of Technology

Wright-Patterson Air Force Base
, OH 45433-7356
(513) 787-1110

Office of Personnel Management

Workforce Effectiveness and Development Group
Washington, DC 20415-0001
(202) 632-5650

Appendix A References

Section I Required Publications

AR 25-1

The Information Resources Management Program. (Cited in paras 1-1, 3-2, 5-2, and 7-2.)

AR 25-3

Life-Cycle Management of Information Systems. (Cited in paras 1-1, 2-1, 3-1, 4-2, 5-2, and 5-3.)

DA Pam 25-2

Information Mission Area Planning Process. (Cited in para 2-2.)

Section II Related Publications

A related publication is merely a source of additional information. The user does not have to read it to understand this regulation.

Army Federal Acquisition Regulations Supplement (AFARS)

AR 5-20

Commercial Activities Program

AR 25-30

The Army Integrated Publishing and Printing Program

AR 600-50

Standards of Conduct for Department of the Army Personnel

AR 700-127

Integrated Logistic Support

Code of Federal Regulations

DA Pam 25-4

Army Information Systems Technical Documentation

Defense Federal Acquisition Regulations Supplement (DFARS)

DOD Manual 7950.1-M

Defense Automation Resources Management Manual

DOD Standard 7935.A

DOD Automated Information Systems Documentation Standards

Federal Acquisition Regulation (FAR)

Federal Information Resources Management Regulation (FIRMR)

PL 98-369

Competition in Contracting Act

Small Business Act, Section 8A

TB 18-103

Army Automation Software Design and Development

5 USC 552

Freedom of Information Act

5 USC 552a

Privacy Act

40 USC 759

Brooks Act

Section III

Referenced Forms

DA Form 3953

Purchase Request and Commitment

DD Form 250

Material Inspection and Receiving Report

DD Form 254

Contract Security Classification Specification

DD Form 448

Military Interdepartmental Purchase Request

DD Form 1423

Contract Data Requirements List

DD Form 1664

Data Item Description

Appendix B

Conflicts of Interest and General Ethical Concerns

B-1. Affiliations and financial interests

DA personnel may not engage in any personal business or professional activity or hold any financial interest or affiliation that places them in a position in which a conflict or the appearance of a conflict exists between their private interests or affiliations and the public interest of the United States in relation to their duties and responsibilities as DA personnel.

a. In other words, DA personnel are generally prohibited from holding a financial interest or affiliation in a non-Federal entity at the same time that they are performing official duties that affect that non-Federal entity.

(1) An “affiliation” is defined as a relationship as an employee, officer, owner, director, member, trustee, partner, adviser, agent, representative, or consultant, or as a person on leave from or having any understanding, plans, or pending contracts regarding such a relationship in the future.

(2) A “financial interest” includes common or preferred stock, bonds, options, retirement pensions, negotiating for employment (para B-2), and the like.

(3) For the purpose of this prohibition, private financial interests or affiliations of a spouse, minor child, general partner, or family member of the household are treated as private financial interests or affiliations of DA personnel.

b. The duties performed by DA personnel who are involved in the acquisition of IMA assets affect many different non-Federal entities. For example—

(1) CORs and others who assist in the review of contract deliverables and approve payment are performing duties that affect the contractor and its subcontractors.

(2) Persons who assist in the evaluation of proposals to a solicitation are performing duties that affect all the offerors and their proposed subcontractors.

(3) DA personnel who develop statements of work, define requirements, conduct market surveys, and perform other acquisition planning activities are performing duties that affect all reasonably potential sources for that acquisition.

(4) A person does not have to have decision making responsibility to perform duties that affect non-Federal entities.

B-2. Negotiating for employment

DA personnel may not perform official duties that affect a nonFederal entity at the same time that they are negotiating for employment with that entity. (See para B-1.) “Negotiating for employment” includes any action that reasonably could be construed as an indication of interest in future employment, including sending letters or resumes, making telephone inquiries, or failing to reject clearly a personally directed proposal from the entity’s representative regarding future employment. A firm offer of employment does not need to be made.

B-3. Unauthorized release of acquisition information

DA personnel may not release to an individual or to a business concern, or its representatives any information concerning future DA requirements or a proposed acquisition. Such information is released to all potential contractors as simultaneously as possible. These releases are made only through contracting officers, their supervisors having contractual authority, or others specifically authorized by contracting officers. Such information is provided in accordance with existing authorized procedures and only during the necessary and proper discharge of official duties; it is not included in briefings or other presentations to former DA or DOD officers or employees based solely on their status as such.

B-4. Unauthorized statements or commitments with respect to award of contracts

Only contracting officers and their duly authorized representatives acting with their authority are authorized to commit the Government with respect to award of contracts. Unauthorized discussion and commitments may place DA in the position of not acting in good faith. Unauthorized personnel may not make any commitment or promise relating to award of contract and may not make any representation that would be construed as such a commitment. DA personnel may never advise a business representative that an attempt will be made to influence another person or agency to give preferential treatment to his or her concern in the award of future contracts. Persons requesting preferential treatment are informed by official letter that DA contracts are awarded only in accordance with established contracting procedures. Additional restrictions regarding the release of acquisition information are contained in FAR 3.104 and its supplements.

B-5. Gratuities

DA personnel and members of their families may not seek or accept gratuities from those who have or seek business with DOD or from those whose business interests are affected by DOD functions.

a. No matter how innocently the gratuity is tendered or received, acceptance may be a source of embarrassment to DA, may appear to affect the objective judgment of the DA personnel involved, and may impair public confidence in the integrity of the Government.

b. This prohibition applies whether or not the DA personnel are performing (or may in the future perform) duties that affect the nonFederal entity offering the gratuity.

c. A gratuity is defined as any gift, favor, entertainment, hospitality, meal, transportation, loan, or other tangible item, and any intangible benefits (for example, discounts, passes, and promotional vendor training), given or extended to or on behalf of DOD personnel, their immediate families, or households for which fair market value is not paid by the recipient or the U.S. Government.

d. AR 600-50, paragraph 2-2, describes situations when the acceptance of a gratuity is permissible. However, these situations (called “limited exceptions”) are applied narrowly, and DA personnel always consider the concerns expressed in a through c above.

Appendix C

Acquisition Plans

C-1. Information needed for acquisition plans

This appendix defines the information needed in an acquisition plan and outlines what information each section of the plan needs to contain.

C-2. Acquisition background and objectives

This section—

a. Provides a brief statement of need. Summarizes the technical and contractual history. Describes feasible acquisition alternatives.

- b.* Establishes applicable conditions, including compatibility requirements with present or future systems, and cost, schedule, and capability or performance constraints.
- c.* Establishes cost goals and supporting rationale, including, as appropriate, life-cycle cost (DFARS 234.005-70), design-to-cost (DFARS 234.005-70), and should-cost (FAR 15.810).
- d.* Determines capability or performance. Specifies characteristics. States relationship to the need.
- e.* Defines delivery or performance period requirements. Describes the basis for requirement. Provides justification if other than full and open competition.
- f.* Discusses consequences of tradeoffs on various cost, capability, or performance and schedule goals.
- g.* Discusses technical, cost, and schedule risks. Describes efforts or plans to reduce risks. Discusses risks associated with planned concurrent development and production.
- h.* Discusses acquisition streamlining. Through draft solicitations, presolicitation conferences, and other means, encourages industry to apply and tailor contract requirements during the design and development phase. Selects and tailors only the necessary cost-effective requirements. States the timeframe for transition of specifications from guidance only to mandatory (FAR 10.002(c)).

C-3. Plan of action

This section—

- a.* Indicates prospective sources. Considers required sources of supplies and/or services (FAR, Part 8). Considers small business, small disadvantaged business, and labor surplus area concerns (FAR, Parts 19 and 20). Considers commercial or commercial-type products (FAR, Part 11).
- b.* Describes how competition pertaining to prime contracts and subcontracts will be sought, promoted, and sustained throughout the acquisition for major components, subsystems, spares, and repair parts (FAR, Part 6). If other than full and open competition is utilized, cites the appropriate authority in FAR 6.302.
- c.* Discusses source-selection procedures, including timing for submission and evaluation of proposals, and the relationship of evaluation factors to acquisition objectives.
- d.* Describes contracting considerations, including contract type selection (FAR, Part 16); multiyear contracting, options, and special methods (FAR, Part 17); special clauses, special provisions, and FAR deviations (FAR, Subpart 1.4); and lease or purchase decisions (FAR, Subpart 7.4).
- e.* Describes how budget estimates were derived. Includes specific reference to budget line items and program elements, estimated production unit cost, and total cost for remaining production. Discusses the schedule for obtaining adequate funds when they are required (FAR, Subpart 32.7).
- f.* Describes market research efforts planned or undertaken to identify nondevelopmental items (DFARS 210.001). Explains the choice of product description (FAR, Part 10).
- g.* Specifies the method and rationale for priorities, allocations, and allotments (FAR, Subpart 12.3).
- h.* Considers AR 5-20 concerning contractor versus Government performance (FAR, Subpart 7.3).
- i.* Discusses the management system that will be used to monitor the contractor's effort.
- j.* Describes the basis for make or buy decision.
- k.* Describes contractor and Government test program. Describes the test program for each major phase of each major system acquisition. Discusses the extent of testing to be performed before production release, as appropriate.
- l.* Describes contractor or agency support over the life of the acquisition including maintenance and servicing (FAR, Subpart 7.3) and distribution of commercial products (FAR, Part 11). Describes reliability, maintainability, and quality assurance requirements, including warranties (FAR, Part 46). Describes requirements for contractor data (include repurchase data), and data rights, estimated cost, and the use of the data (FAR, Part 27). Describes standardization concepts.
- m.* Indicates any property to be furnished by the Government to the contractors, including material and facilities (FAR, Part 45).
- n.* Discusses any information to be furnished by the Government to the prospective offerors and contractors, such as manuals, drawings, and test data.
- o.* Discusses environmental issues associated with the acquisition (Code of Federal Regulations).
- p.* Discusses how adequate security will be established, maintained, and monitored for classified matters.
- q.* Discusses other matters as applicable, such as energy conservation, industrial readiness, the Defense Production Act, foreign sales, and any other pertinent considerations.
- r.* Addresses the following and any other milestones for the acquisition cycle, as appropriate:
 - (1) Acquisition plan approval.
 - (2) Statement of work.
 - (3) Specifications.
 - (4) Data requirements.
 - (5) Completion of acquisition-package preparation.
 - (6) Purchase request.

- (7) Justification and approval for other than full and open competition where applicable, and/or required determinations and findings approval.
- (8) Issuance of synopsis.
- (9) Issuance of solicitation.
- (10) Evaluation of proposals, audits, and field reports.
- (11) Beginning and completion of negotiations.
- (12) Contract preparation, review, and clearance.
- (13) Contract award.
- (14) Updates to the acquisition plan.
- (15) Approval for operational use.
- s. Depicts on a milestone chart the Decision Coordinating Paper, Program Memorandum Defense System Acquisition Review Council, and/or Internal Services Reviews. Depicts on a milestone chart the objectives of the acquisition.
- t. Identifies participants in acquisition plan preparation, giving contact information for each.

Appendix D

Agency Procurement Requests

D-1. Agency information

This section—

- a. Provides the agency name, address, and location where ADP resources will be installed or service will be performed.
- b. Provides the name, position title, organizational identity, and telephone number of the senior program, technical, and contracting officials assigned to the acquisition and describes the organizational structure that will support these officials during acquisition.
- c. For every acquisition of ADP resources with an anticipated purchase price of \$25 million or more that is not within the scope of a blanket delegation of procurement authority, provides the following information for each official identified in b above:
 - (1) Experience in previous major ADP resources acquisitions.
 - (2) Responsibilities, scope of authority, and reporting structure with respect to the acquisition.
 - (3) Whether assignment to the acquisition is full- or part-time and, if part-time, the nature of other responsibilities.

D-2. Project title and description

This section provides the project title and a brief but specific description of the primary agency programs that the ADP resources will support.

D-3. Current support

This section briefly but specifically describes the current ADP resources supporting the programs.

D-4. Automatic data processing resources to be acquired

This section briefly but specifically describes the ADP resources to be acquired during the life of the procurement(s), including any other pertinent information that the agency may wish to present that will help GSA to understand the requirements. This description includes how changing requirements will be satisfied, that is, resources required for system expansion, anticipated augmentations, upgrades, and other system modifications during the system life of the procurement(s) if such requirements will be included in the solicitation document.

D-5. Acquisition strategy

This section—

- a. Indicates whether the proposed acquisition approach will satisfy a requirement using a sole source or a specific make and model specification and whether compatibility-limited requirements will be used.
- b. Identifies by fiscal-year quarter the planned milestones for release of solicitation document and contract award.
- c. If the request involves a pilot or prototype, describes the strategy for the follow-on implementation phase.
- d. Indicates whether the acquisition plan (FAR 7.104(c)) contemplates contracting under policies and procedures for—
 - (1) Full and open competition (FAR subpart 6.1).
 - (2) Full and open competition after exclusion of sources (FAR subpart 6.2).
 - (3) Other than full and open competition (FIRMR, Part 201-11, and FAR, Subpart 6.3). (In addition, provides the

applicable statutory contracting authority cited in FIRM, Part 201-11, or FAR 6.302-1 through 6.302-7 permitting the use of such procedures.)

D-6. Estimated contract life and cost

This section identifies the estimated contract cost of the acquisition (not the overall system life cost) by type of ADP resource for the contract life and includes all anticipated optional quantities, services, and periods. Detailed cost breakdowns may be included when necessary to describe the estimated cost clearly. The estimated contract cost (for all years) should correspond to the planned contract life. The delegation of procurement authority resulting from the submission is limited to contract cost and years as shown in table D-1.

Table D-1
Format for estimated contract life and cost

Type of resource	Estimated contract Cost
ADP system	\$ (Enter the cost.)
ADP equipment	\$ (Enter the cost.)
ADP maintenance	\$ (Enter the cost.)
ADP software	\$ (Enter the cost.)
ADP services	\$ (Enter the cost.)
ADP support services	\$ (Enter the cost.)
ADP-related supplies	\$ (Enter the cost.)
TOTAL ADP resources	\$ (Enter the cost.)
TOTAL other than ADP resources	\$ (Enter the cost.)
TOTAL contract cost	\$ (Enter the cost.)
Contract life (years)	(Enter the contract life.)

D-7. Regulatory compliance

- a. Agencies should accomplish procurement actions in accordance with applicable provisions of FIRM.
- b. This section indicates that the agency has reviewed and complied (or will comply) with all applicable regulations, or this section lists those deviations to the regulations that apply to this request for which approval is sought and provides an explanation for each regulatory deviation request.
- c. This section provides the date of completion or most recent update of the documentation shown in table D-2 or indicates the documentation that is not applicable.

Table D-2
Format for documentation update

Documentation: Requirements analysis
Date: (Enter the date.)

Documentation: Analysis of alternatives
Date: (Enter the date.)

Documentation: Risk analysis
Date: (Enter the date.)

Documentation: Determination to support the use of compatibilitylimited requirements
Date: (Enter the date.)

Documentation: Conversion study
Date: (Enter the date.)

Documentation: Certified data to support any requirement available from only one responsible source
Date: (Enter the date.)

Documentation: Certified data to support any use of a specific make and model specification
Date: (Enter the date.)

Documentation: Description of those planned actions necessary to foster competition for subsequent acquisitions
Date: (Enter the date.)

Documentation: Justification for more than one agency to provide switching facilities or services at building locations
Date: (Enter the date.)

Documentation: Exception to the use of FTS2000 mandatory network services
Date: (Enter the date.)

Table D-2
Format for documentation update—Continued

Documentation: Exception to the use of GSA mandatory consolidated local telecommunications services
Date: (Enter the date.)

D-8. Agency remarks

This section provides additional information deemed necessary concerning any of the above items or special conditions associated with this acquisition, for example, required building construction or modification by GSA. As applicable, this section requests GSA multiyear contracting authority for telecommunications resources.

D-9. Agency or General Services Administration references

This section provides references to related GSA delegations (including previous GSA case numbers), meetings, telephone discussions, and so forth.

D-10. Authorization

This section includes the agency-authorized signature, position title, organizational identity, and date.

Appendix E **Functional Specifications**

This appendix provides instructions and the format to be followed during the preparation of functional specifications.

E-1. Section 1, existing system description

This section describes the existing system, including, but not limited to, the following:

- a.* A nontechnical, narrative description of what is achieved by the existing system, including the scope of applications or concept of operations, frequency of cycles, reports, and volumes of input and output information.
- b.* A block diagram that shows the flow of data through each organizational element that produces input and/or receives output, and a narrative description as applicable.
- c.* A block diagram that shows the flow of data for systems external to the existing system that produce input and/or receives output from the system.
- d.* The facilities and equipment used by or interfaced with the existing system.

E-2. Section 11, required system capabilities

This section describes in detail the functional requirements that the required system must satisfy. It addresses essential functional characteristics of the material or services to be acquired in the general format outlined in a through f below. This section describes the internal and external system interfaced, response times, frequencies, volumes, formats, and information transmission media. In addition, it addresses expected workload over the system life, expandability requirements, peacetime and mobilization or wartime workload comparison, continuity of operations plan, automated system security, operations and support requirements, and any environmental or operational constraints within which the system must function. If the system is hierarchical in nature, this section defines the subsystems, describes each subsystem, and includes the following information:

- a.* The title and acronym of the subsystem (for example, interactive graphic, analog to digital, multi-gauge level display, communication, and so on), and the functions to be performed by this subsystem.
- b.* A block diagram that shows the flow of data between each subsystem within the system that produces input for or receives output from this subsystem.
- c.* The relationship of this subsystem to any other subsystem.
- d.* A block diagram that shows the flow of data for each external system that produces input for or receives output from this subsystem.
- e.* The relationship of this subsystem to any other external system.
- f.* Any other information deemed necessary to enhance this general description.

E-3. Section III, information processing capabilities

This section describes the inputs, outputs, and processing capabilities that the system must satisfy. This information is necessary so that the system may be sized and configured by vendors.

a. Input description. This section—

- (1) For each output product listed, identifies each input data item required to produce the respective output product.
- (2) For each input data item described, assigns a meaningful content-related input data item name.

(3) Assigns a unique identification code to each input data item name, and refers to its specific data flow block diagram.

(4) Identifies the origin of each input from command and organizational element.

(5) Identifies the specific events that cause each input to be generated.

(6) Identifies each input used to produce each output product, and ties each output product back to the process by giving a relative date and time that each output product is required for the processing cycle.

(7) Indicates how often each input will be submitted and the volume associated with each submission.

(8) Indicates the privacy and security protection requirements for each input data item, if any.

(9) Indicates the media for each input data item.

(10) Provides any other information as deemed necessary.

b. Processing description. This section—

(1) For each output data item of each output product, identifies all input data items used to produce the respective output data item.

(2) Defines what validation and/or editing must be performed on all input data items.

(3) Defines the processing (for example, formulas and algorithms) required to produce each output data item contained within each output product, and includes user constraints (for example, data accuracy, ease of use, and response time).

(4) Identifies where data are to be processed and constraints on user locations (for example, continuity of operations plan sites) versus processing locations.

(5) Provides any other information deemed necessary (for example, flow charts and decision logic tables).

c. Output description. This section—

(1) Defines each output product produced by the system or subsystem, including output format.

(2) For each output product listed in (1) above, defines each output data item contained within this product, including meaningful content-related data item names and their use.

(3) Assigns a unique identification code to each output data item name, and refers to its specific data flow block diagram.

(4) Identifies the recipient of each output for echelon and organizational element.

(5) Specifies the time constraints (response time) on production of each output product. (Response time is defined as the time between receipt of input and the time required for the output product to be delivered to a given destination.)

(6) Identifies how often the Output product is produced in average and maximum frequency.

(7) Indicates the privacy or security protection requirements for each output product, if any.

(8) Identifies user storage and retention criteria for each output product, including continuity of operations plan considerations.

(9) Identifies the specific events that cause the output product to be generated.

(10) Provides any other information deemed necessary.

d. Workload description. This section—

(1) Describes the workload to be performed on the new system. Quantifies the workload in terms of organizational functions and objectives, performance objectives, and work volumes.

(2) Describes how the workload changes in volume and composition over time. Discusses the repetitive and recursive workload peaks and valleys.

(3) Addresses the current status of workload characterization, the availability of programs, transactions, data, and documents that can or could be used to represent the workload for the new system.

E-4. Section IV, constraints

This section describes any constraints that must be satisfied by the system. Addresses all constraints (facilities, environmental, personnel, operational, security, interoperability, logistical support, funding, and so on) which need to be satisfied because of type of data being processed, special timeliness requirements, geographic dispersion, availability requirements, location, and so forth, and the impact that they will have on the acquisition.

Glossary

Section I Abbreviations

ADP

automatic data processing

AFARS

Army Federal Acquisition Regulation Supplement

APR

agency procurement request

CDRL

Contract Data Requirements List

COR

contracting officer's representative

DA

Department of the Army

DFARS

Department of Defense Federal Acquisition Regulation Supplement

DOD

Department of Defense

DSN

Defense Switched Network

FAR

Federal Acquisition Regulation

FIRMR

Federal Information Resources Management Regulation

FOIA

Freedom of Information Act

GSA

General Services Administration

HQDA

Headquarters, Department of the Army

IFB

invitation for bids

IMA

Information Mission Area

OMA

Operations and Maintenance, Army

OPA

Other Procurement, Army

RFP

request for proposal

SSA

source selection authority

SSAC

source selection advisory council

SSEB

source selection evaluation board

USAISSAA

United States Army Information Systems
Selection and Acquisition Activity

Section II**Terms****Acquisition plan**

The document developed to manage the overall strategy of the acquisition. Through the acquisition plan, the efforts of all personnel responsible for an acquisition are coordinated and integrated to fulfill the agency need in a timely manner and at a reasonable cost.

Acquisition strategy

The conceptual framework for conducting acquisition, encompassing the broad concepts and objectives that direct and control the overall development, production, and deployment of a system. It moves in parallel with the system's maturation. It must be stable enough to provide continuity but dynamic and flexible enough to accommodate change. It is tailored to fit the needs of developing, producing, and fielding the product.

Agency procurement request (APR)

A request by a DOD component for GSA to delegate the authority to procure items.

Auction techniques

The prohibited acts of—

- a.* Indicating to an offeror a cost or price that must be met to obtain further consideration.
- b.* Advising an offeror of its price standing compared with another offeror. However, it is permissible to inform an offeror that its cost or price is considered to be too high or unrealistic.
- c.* Otherwise furnishing information about other offerors' prices (FAR 15.610).

Benchmark

A problem or series of problems used to evaluate the performance of computers and/or software relative to the contract specification (FAR 15.6 10).

Cost-reimbursement contract

A contract type in which the contractor is reimbursed for the allowable costs incurred in the performance of the contract.

Delegation of procurement authority

A written or blanket notification from GSA granting authority to procure commercially available ADP equipment, proprietary software, or maintenance services.

Developmental item

A new item evolved through a process of successive changes until it matches specific unique requirements. These items generally require long lead times from recognition of need to actual implementation and technical documentation, training, and testing.

Discussions

Any oral or written communication between the Government and an offeror (other than communication conducted for the purpose of minor clarification), whether or not initiated by the Government, that involves information essential for determining the acceptability of a proposal, or provides the offeror an opportunity to revise or modify its proposal. FAR 15.610(c)(1) specifies that the contracting officer controls all discussions.

Ergonomics

The aspect of technology concerned with the application of biological and engineering data to problems relating to humans and machines.

Fixed-price contract

A contract type in which the contractor has full responsibility for the performance costs and resulting profit or loss.

Life-cycle management

A process for administering an automated information system or hardware support system from the time it is initially developed until it is either consumed in use or disposed of as excess.

Lowest total overall cost

The least expenditure of funds over the system or item life, with price and other factors considered. Lowest total overall costs include purchase price, lease or rental prices, or service prices of the contract actions involved, other factors, and other identifiable and quantifiable costs that are directly related to the acquisition and use of the system or item, for example, personnel, maintenance and operation, site preparation, energy consumption, installation, conversion, system start-up, contractor support, and the present value discount factor. The administrative costs of conducting an analysis to determine the lowest total overall cost alternative are commensurate with the cost or price of the item being acquired and with the benefits expected from the analysis.

Milestone 0

Approval of the Information Management Master Plan for the total Army containing information initiatives covering the three information environments: strategic, theater or tactical, and sustaining base.

Software conversion

The transformation without functional change of computer programs or data elements to permit their use on a replacement or changed ADP equipment or teleprocessing service system.

System or item life

A forecast or projection of the time that begins with the installation of the systems or items and ends when the need for such systems or items ends. System or item life is established by the Government on the basis of requirements and is usually included in the solicitation. System life is not necessarily synonymous with technological life, physical life, or application life.

Technical leveling

The prohibited act of helping an offeror to bring its proposal up to the level of other proposals through successive rounds of discussions, such as pointing out weaknesses resulting from the offeror's lack of diligence, competence, or inventiveness in preparing the proposal (FAR 15.610).

Technical transfusion

The prohibited act of disclosing technical information pertaining to a proposal that results in improvement of a competing proposal (FAR 15.610).

Telecommunications

Any transmission, emission, or reception of signs, signals, writings, images, sounds, or information of any nature by wire, radio, visual, or other electromagnetic systems.

Section III**Special Abbreviations and Terms**

This section contains no entries.

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